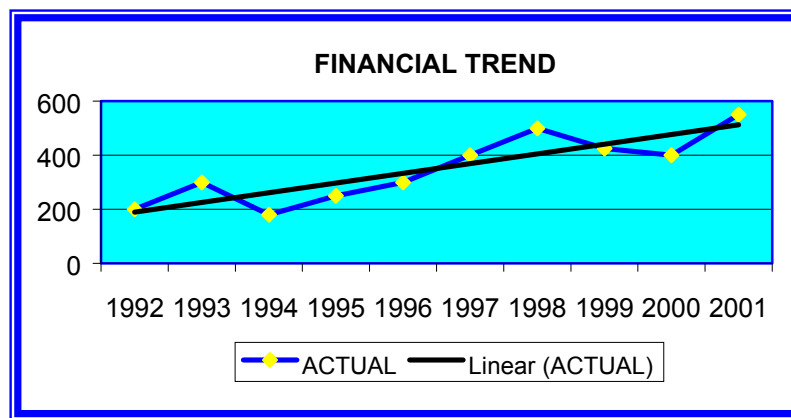




## CITY OF RYE, NEW YORK

# *2001 Financial Trends Report*

Fiscal Years Ended December 31 - 1992 through 2001



Published by  
CITY OF RYE FINANCE DEPARTMENT  
August 2002





**CITY OF RYE, NEW YORK**

**2001 Financial Trends Report**  
**Fiscal Years Ended December 31**  
**1992 through 2001**

Published by  
CITY OF RYE FINANCE DEPARTMENT  
August 2002

Julia D. Novak  
CITY MANAGER

Michael A. Genito  
CITY COMPTROLLER

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**CITY OF RYE**  
**Department of Finance**  
**TRANSMITTAL LETTER**

August 1, 2002

To the Honorable Mayor, City Council and City Manager of the City of Rye, New York:

Submitted herewith is the 2001 Financial Trends Report for the City of Rye, New York, covering the ten-year trend period for fiscal years ending December 31, 1992 through December 31, 2001.

This report consists of this transmittal letter, an introduction, an executive summary, and the graphic representation and analysis of selected financial indicators for our general government operations (General Fund, Cable TV Fund, Nature Center Fund, and Debt Service Fund) and those of our enterprise funds (Boat Basin Fund and Golf Club Fund).

The indicators presented herein should be taken in the context and consideration of all the indicators, the financial results supporting those indicators, and information from other sources such as our annual budget document and the annual department reports to our City Manager. No single indicator stands on its own as a representative picture of a trend. Rather, each indicator adds to the collage, which when viewed in perspective, presents a fuller understanding of our general fiscal health.

We selected the indicators from publications of the International City/County Management Association (ICMA), the Government Finance Officers Association (GFOA), and Moody's Investors Service.

We look forward to your comments and questions, and especially any suggestions you may have which might improve the reading of this report or analysis and use of its contents.

Very truly yours,  
CITY OF RYE

A handwritten signature in cursive script, reading 'Michael A. Genito'.

Michael A. Genito  
City Comptroller

## **INTRODUCTION**

### ***Purpose of the Financial Trends Report***

The Financial Trends Report allows a user to view in graphic form the financial direction our City appears to be taking based upon key financial indicators. The report may assist in the development of budgets, forecasts, and other useful financial tools.

### ***Evaluating the Information***

This report should be viewed in its entirety, considering the individual indicators and trends represented by them as parts of a whole. No single indicator can present the complete picture. For instance, an operating deficit (where expenditures exceed revenues) by itself may appear to be a negative result. However, some deficits are planned to reduce excessive fund balance through the funding of needed or desired programs. Likewise, a stable tax rate and tax receipts may appear to be a positive trend, but when taking into account the effects of inflation, the purchasing power of those dollars may be declining. In short, do not judge any individual factor by itself.

### ***Sources of Information***

The Financial Trends Report was created using *Evaluating Financial Condition - A Handbook for Local Government* (ICMA, 1994), *1997 Medians - Selected Indicators of Municipal Performance* (Moody's Investors Service, 1997), and a number of other accounting and financial sources as guides. The indicators selected are popular, but by no means the only indicators that can be used as tools in evaluating the financial and economic health of a community.

Financial data was taken from our comprehensive annual financial reports. Information as to the number of actual employees in service at year-end was taken from our annual budget documents. Population estimates are per the U.S. Census Bureau (<http://www.census.gov>). The consumer price index used in calculating dollars adjusted for inflation is the Consumer Price Index - All Urban Consumers ("CPI-U"), not seasonally adjusted, New York-Northern New Jersey-Long Island, NY-NJ-CT-PA for all items with a base period of 1982-1984=100, per the Bureau of Labor Statistics (<http://www.bls.gov>). Equalization rates were as provided by Westchester County for New York State municipalities.

### ***Trend Period***

The trend period is a ten-year period ending with the most recently completed fiscal year. The reader is encouraged to review the trend graphs in context with the data presented, the interperiod fluctuations, and accompanying analysis.



## ***Numbering Conventions***

All dollar figures are in U.S. dollars. Ratios are either presented as percentages (a percent of some number) or coverage (how many times to one). Where appropriate, dollar value trends are displayed in both actual amounts and in constant dollars. Constant dollars are calculated using the CPI-U of the first year in the ten-year trend period as the base (\$1 = \$1) index, and dividing each successive year's CPI-U by that base to adjust for inflation.

## ***Operating Revenues and Expenditures***

Operating revenues include all revenues except for operating transfers in and “one-shot” revenues. One-shot revenues are defined as those revenues that are material in nature and unexpected or unlikely to occur again. The one-shot revenues in actual dollars excluded from our revenue numbers are: a \$1,525,439 gain from the sale of the Parson’s Estate in 1995; a \$180,480 gain from the foreclosure sale of 6 Ellis Court in 1996, and a \$605,663 one-time state aid payment received in 1996. Operating expenditures do not include transfers out to other funds.

## ***Funds Represented***

This report consolidates the General Fund, Special Revenue Funds (Cable TV Fund and Nature Center Fund), and Debt Service Fund, reporting on their activity as a consolidated group called “general government operations”. The report also includes individual trends on each of our enterprise funds (Boat Basin Fund and Golf Club Fund).

## ***Questions and Comments***

Questions and comments concerning this report may be directed to the City Comptroller. We look forward to your input.

## **EXECUTIVE SUMMARY**

### ***General Government Operations***

Our general government operations are in sound financial condition, but we must ensure that we have the willingness to take action where necessary to ensure that the positive trends continue.

In the past ten years, we have seen our revenues grow more rapidly than our expenditures. This, combined with very conservative budgeting, resulted in our experiencing higher revenues than originally estimated and expenditures below budget. Our planned operating deficits actually came in as operating surpluses, allowing our fund balance to grow. However, as we budgeted more realistically (raising our revenue estimates and trimming our expenditure estimates), the positive year-end operating results began to diminish. At the end of the trend period covered by this report (fiscal 2001), our budgets were very much on target, and we did indeed experience the operating deficit we had planned for that year. Our unreserved and undesignated fund balance,

while remaining above our policy target of 5% of appropriations, is now below the double-digit percentage level that we enjoyed for many years.

One area of discussion concerning the annual budget has been the use of undesignated fund balance as a financing source to fund some of the forthcoming year's appropriations. It should first be noted that while it can be a *financing* source, it is not a *revenue* source. In other words, fund balance will not automatically regenerate itself unless actual expenditures fall below and/or actual revenues come in above the originally budgeted estimates. It should also be noted that there is nothing wrong with using undesignated fund balance to "balance the budget", but care should be taken as to how much of it is used to fund recurring operating expenditures as opposed to one-time capital improvements or the pay-down of debt. For instance, fund balance used to fund some of the salary and benefit costs of the forthcoming year only delays a tax increase to a future year. On the other hand, fund balance used to purchase long-term assets (such as a fire truck) or pay off existing debt will reduce the amount needed to pay debt service in future years and eliminate the need for a tax increase related to such debt service. A review of our trend of property tax revenues reveals that our actual property tax revenues over the past decade have ranged from \$8.9 million to \$10.3 million. This means that every \$100,000 in required additional funding (assuming no other offsetting revenues) translates to a 1% increase in property taxes. In short, our use of fund balance should be judicious.

As previously stated, we are in sound financial condition. Our trends are positive, and we have improved over the past ten years. However, our more realistic budgeting is providing the results we seek, reducing our fund balance closer to target level. With minimal fund balance available to offset recurring operating expenditures we must now focus our efforts on developing budgets where operating revenues are sufficient to cover operating expenditures. In this way we will preserve the positive trends, ensuring our financial health and stability. With this as an introduction, we offer our analysis of the trends displayed in this report:

Our liquidity ratio and current ratio are both on a positive upward trend, each of them well above their target levels. Current liabilities to net operating revenues also shows a positive trend. These indicators show that we have no difficulty meeting our immediate expenditures with current funds. Undesignated fund balance to net operating revenues shows a positive increasing trend, but as previously noted there is a dramatic drop in the final trend year (fiscal 2001). This indicates that for many years (1994 through 2000) we enjoyed increases in fund balance due to positive operating results, but more realistic budgeting is providing results closer to target.

There is a healthy positive trend in the difference between our net operating revenues and net operating expenditures, indicating that our revenues continue to be sufficient to meet our expenditures. Fiscal 2001, as planned, is the first year since the beginning of the trend period to show an inter-period negative trend.

Net operating revenues on a gross as well as per capita basis show a strong positive upward trend. However, property tax revenues have remained relatively flat, and while uncollected property taxes remain low, tax liens are increasing. This indicates that we should reduce outstanding tax liens aggressively through the annual tax lien/foreclosure process.

Elastic revenues as a percentage of net operating revenues have increased dramatically. While this minimizes increases in property taxes, we must recognize that our increasing dependence on elastic revenues also increases our vulnerability to economic downturns.

Net operating revenues, gross and per capita, have increased moderately over the trend period, offsetting equivalent increases in expenditures. Fringe benefits, a major component of expenditures, while showing a positive (declining) ten-year trend, also show an increase over the past two years. Based on anecdotal evidence, employee benefit costs may once again be on the rise, and we must watch the developments in this area carefully when negotiating labor agreements and developing budget estimates.

Steady gains have been made in the investment in non-capital equipment, a sign that we are replacing old, unsafe, and/or obsolete assets as needed.

The issue of operating surplus and use of fund balance was discussed earlier in this report. While our trend was declining, the results remained above zero for all but 2001, as planned. Going forward we will have little choice but to ensure that the trend line remains above zero, where operating revenues meet or exceed operating expenditures. Obviously, with little or no operating surplus contributing to fund balance, little or no fund balance will be available to assist in the funding of capital items, emergency expenditures, or offsetting tax increases.

Our debt indicators show that while our debt has increased, we continue to enjoy very low debt ratios. It is also evident that the trend of City-issued debt is less of a burden than that of overlapping (County and school district) debt. Debt service coverage (the ability to pay debt with current revenues) shows a positive trend, but once again the planned fiscal 2001 operating deficit turns the trend line negatively downward in the final year of the trend period.

Our population has essentially unchanged (a decrease of 50 people) over the past ten years, according to the U.S. Census Bureau. The number of municipal employees per 1,000 population has remained stable since that time. This would indicate that we have become more productive since 1992, a commendable trend.

### ***Boat Basin Enterprise Fund***

Established as an enterprise fund in 1992, all of the financial indicators for the Boat Basin Fund are extremely strong and positive. The Boat Basin Fund has no outstanding debt, and has been able to fund all of its building, facility and equipment improvements through current funds.

Our liquidity ratio and current ratio have continued to grow, spiking in fiscal years 1999 and 2000 just prior to the expenses related to the marina dredging project. Net working capital has been on a steady rise, reaching its highest point in fiscal 2001. The rising trend of net fixed assets exhibits our commitment to the replacement of aging and obsolete facilities and equipment.

The spread between our revenues and expenses has maintained a positive wide spread, increasing slightly over the ten-year trend period. Revenues have risen more dramatically than expenses, resulting in a very healthy trend in the operating ratio and net take-down.

### ***Golf Club Enterprise Fund***

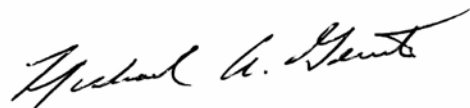
Also established as an enterprise fund in 1992, the Golf Club Fund shows a positive trend in all indicators. However, close attention must be paid to operations to ensure that these positive trends continue. The results of fiscal 2001 were not as positive as some of the more recent prior years.

Since 1994 the liquidity ratio has remained comfortably above target. The current ratio has remained at or above target since 1997. Both ratios were impacted favorably by the proceeds of the 1998 Serial Bonds in fiscal years 1998 and 1999. Net working capital has risen over the trend period, but narrowed considerably in the past two years. Net fixed assets have risen positively over the past decade, a reflection of our major investment in Whitby Castle and other facilities owned and operated by the Golf Club.

The trend of the spread between revenues and expenses is a relatively constant one, increasing slightly over the trend period but taking a dramatic reduction in fiscal 2001. Fees, charges, and the cost of services provided should be examined carefully to ensure that the spread returns to traditional levels. The operating ratio is on a positive downward trend and net take-down is on a positive upward trend, but again, fiscal 2001 resulted in a reversal of this historical activity.

Debt, while rising over the trend period due to the issuance of the 1998 Serial Bonds, is once again exhibiting a downward trend positive trend since 1998. No new debt is envisioned in the near future, so this positive downward trend should continue as the outstanding debt is paid off. The various debt service ratios (interest coverage, debt service coverage, debt service safety margin) all show positive trends. Like other trends, the fiscal 2001 results show a negative redirection, requiring us to address improving operations.

Respectfully submitted,

A handwritten signature in cursive script, reading "Michael A. Genito".

Michael A. Genito  
City Comptroller

## **FINANCIAL INDICATORS AND ANALYSIS**

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## ***General Government Operations***

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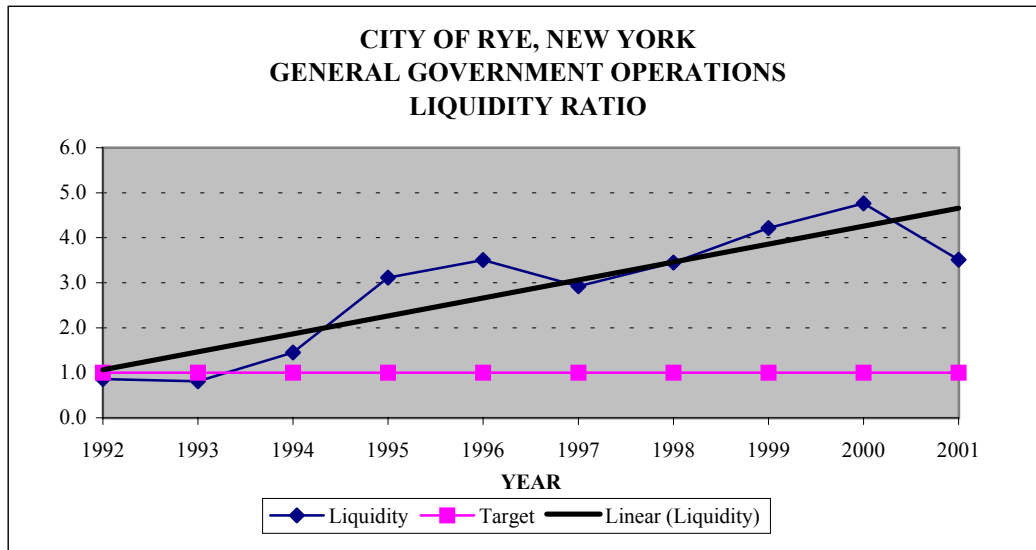


**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Liquidity Ratio**

**Formula:** Cash and Short-Term Investments/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Cash and Short-term Investments	Current Liabilities	Liquidity	Target
1992	\$1,656,207	\$1,932,649	0.9	1.0
1993	\$2,067,874	\$2,546,267	0.8	1.0
1994	\$2,829,459	\$1,955,674	1.4	1.0
1995	\$5,225,996	\$1,677,892	3.1	1.0
1996	\$4,450,538	\$1,270,461	3.5	1.0
1997	\$5,191,221	\$1,778,872	2.9	1.0
1998	\$5,353,235	\$1,552,985	3.4	1.0
1999	\$6,034,172	\$1,430,342	4.2	1.0
2000	\$7,003,822	\$1,470,088	4.8	1.0
2001	\$5,364,407	\$1,528,718	3.5	1.0

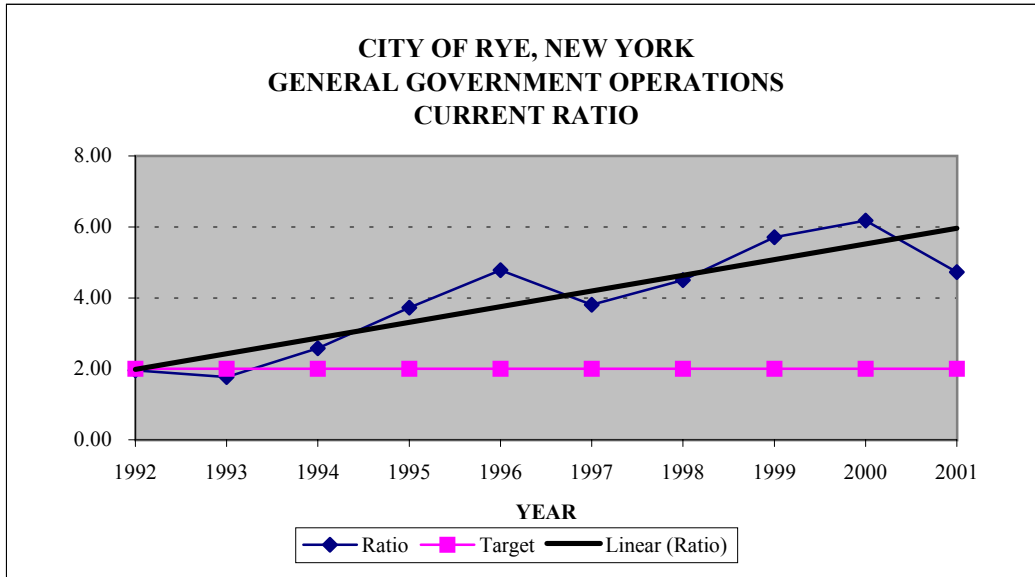
The liquidity ratio, also known as the "cash ratio", measures our ability to pay off current liabilities with cash and short-term investments. Current liabilities are the amounts we owe that are expected to be paid off within the next twelve months, including such items as accounts payable, accrued liabilities, and amounts due to other funds. Cash is the cash we have on hand and in checking and savings accounts. Short-term investments are certificates of deposit and securities that will be redeemed or sold within the next twelve months. Our liquidity ratio has steadily improved, with only 1992 and 1993 below the ratio target level of 1:1.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Current Ratio**

**Formula:** Current Assets/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Current Assets	Current Liabilities	Current Ratio	Target
1992	\$3,788,793	\$1,932,649	1.96	2.00
1993	\$4,496,699	\$2,546,267	1.77	2.00
1994	\$5,044,222	\$1,955,674	2.58	2.00
1995	\$6,254,413	\$1,677,892	3.73	2.00
1996	\$6,073,254	\$1,270,461	4.78	2.00
1997	\$6,763,546	\$1,778,872	3.80	2.00
1998	\$6,984,428	\$1,552,985	4.50	2.00
1999	\$8,168,251	\$1,430,342	5.71	2.00
2000	\$9,084,596	\$1,470,088	6.18	2.00
2001	\$7,223,186	\$1,528,718	4.72	2.00

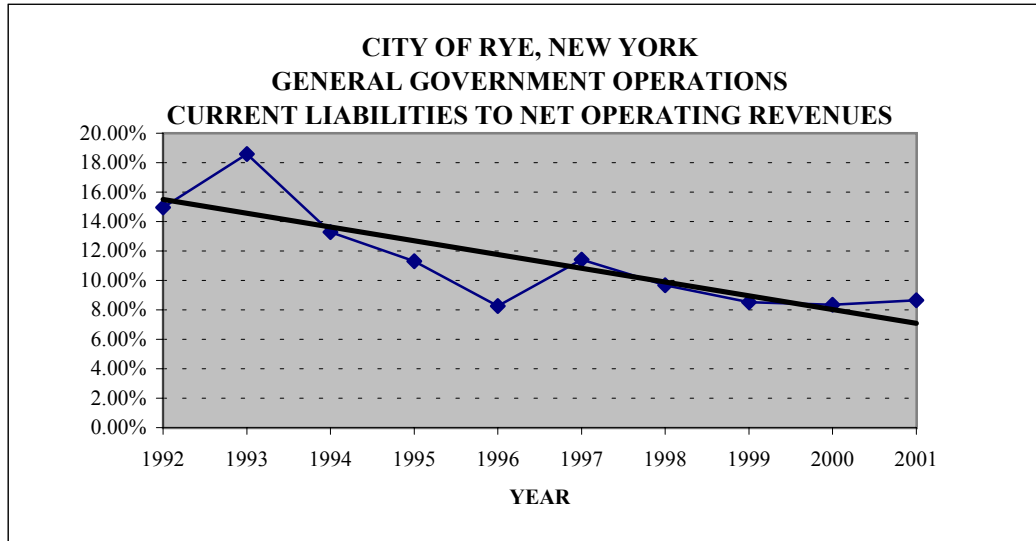
The current ratio measures our ability to pay off current liabilities with current assets. Current assets are defined as cash and amounts we own that can be converted into cash within the next twelve months, and include such items as short-term investments, accounts receivable and amounts due from other funds. Our current ratio has steadily improved, with only 1992 and 1993 below the ratio target level of 2:1.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Current Liabilities to Net Operating Revenues**

*Formula:* Current Liabilities/Net Operating Revenues

*Warning Trend:* Increasing trend line



Year	Current Liabilities	Net Operating Revenues	Percent
1992	\$1,932,649	\$12,913,389	14.97%
1993	\$2,546,267	\$13,691,279	18.60%
1994	\$1,955,674	\$14,727,709	13.28%
1995	\$1,677,892	\$14,848,353	11.30%
1996	\$1,270,461	\$15,396,596	8.25%
1997	\$1,778,872	\$15,583,753	11.41%
1998	\$1,552,985	\$16,037,984	9.68%
1999	\$1,430,342	\$16,795,641	8.52%
2000	\$1,470,088	\$17,625,639	8.34%
2001	\$1,528,718	\$17,666,551	8.65%

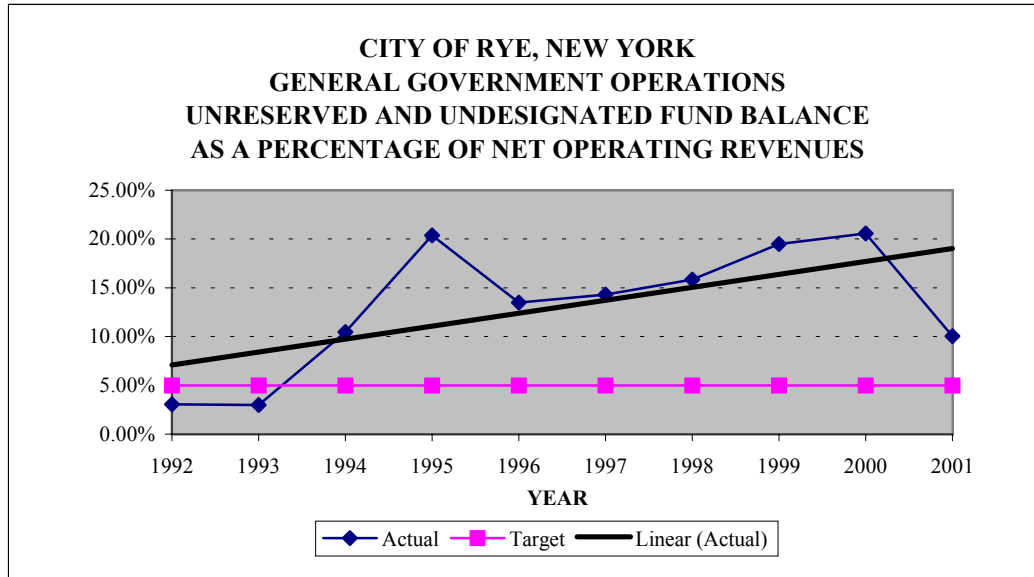
Net operating revenues are defined as all revenues other than operating transfers in and revenues restricted or mandated for specific spending purposes. Current liabilities as a percentage of net operating revenues measures our commitment to paying off current bills with revenues received during the year. An increase in this ratio may indicate liquidity problems if there is an inappropriate use of short-term borrowing or deficit spending. Our general government operations exhibit a downward trend, indicating that our financial results in this area are sound.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Undesignated Fund Balance to Net Operating Revenues**

**Formula:** Unreserved & Undesignated Fund Balance/Net Operating Revenues

**Warning Trend:** Decreasing trend line



Year	Undesignated Fund Balance	Net Operating Revenues	Percent Undesignated Actual	Target
1992	\$392,588	\$12,913,389	3.04%	5.00%
1993	\$410,274	\$13,691,279	3.00%	5.00%
1994	\$1,540,302	\$14,727,709	10.46%	5.00%
1995	\$3,025,311	\$14,848,353	20.37%	5.00%
1996	\$2,075,313	\$15,396,596	13.48%	5.00%
1997	\$2,227,243	\$15,583,753	14.29%	5.00%
1998	\$2,543,032	\$16,037,984	15.86%	5.00%
1999	\$3,271,588	\$16,795,641	19.48%	5.00%
2000	\$3,627,720	\$17,625,639	20.58%	5.00%
2001	\$1,775,962	\$17,666,551	10.05%	5.00%

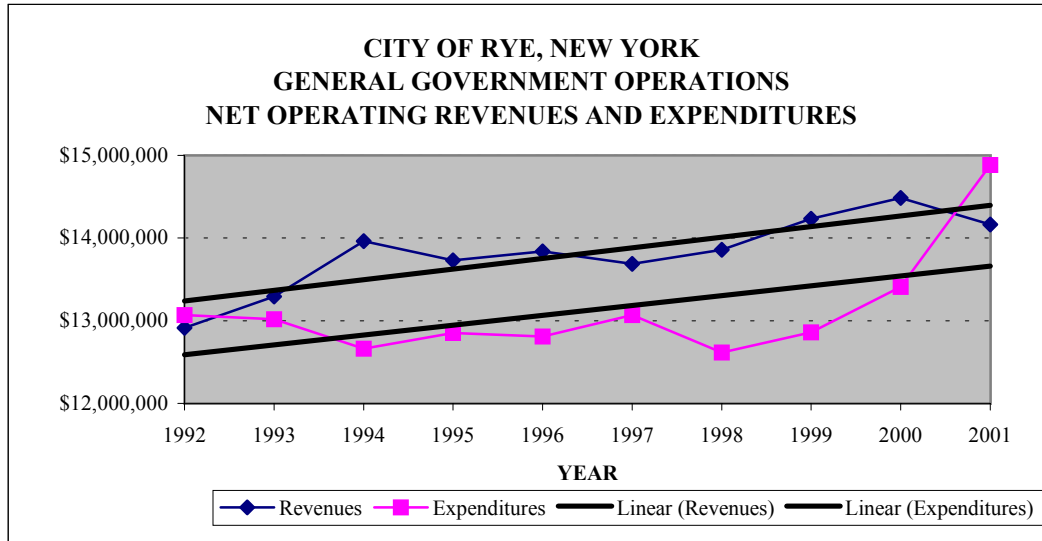
Unreserved and undesignated fund balance is defined as the amount of fund balance that is neither legally restricted nor voluntarily designated for specific purposes. Our financial policies provide that we should strive to maintain an unreserved and undesignated fund balance of at least 5% of total General Fund appropriations. We use this same target in the analysis of our general government operations. Our unreserved and undesignated fund balance has exceeded the 5% target with double digit percentages for all years except 1992 and 1993.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Net Operating Revenues vs. Net Operating Expenditures**

**Formula:** Net Operating Revenues; Net Operating Expenditures

**Warning Trend:** Decreasing distance between trend lines



Year	Actual Operating Revenues	Actual Operating Expenditures	CPI-U	Constant 1992 Dollar Revenues	Constant 1992 Dollar Expenditures
1992	\$12,913,389	\$13,068,355	150.0	\$12,913,389	\$13,068,355
1993	\$13,691,279	\$13,407,201	154.5	\$13,292,504	\$13,016,700
1994	\$14,727,709	\$13,354,781	158.2	\$13,964,326	\$12,662,561
1995	\$14,848,353	\$13,896,199	162.2	\$13,731,523	\$12,850,986
1996	\$15,396,596	\$14,252,167	166.9	\$13,837,564	\$12,809,018
1997	\$15,583,753	\$14,878,737	170.8	\$13,685,966	\$13,066,806
1998	\$16,037,984	\$14,601,234	173.6	\$13,857,705	\$12,616,274
1999	\$16,795,641	\$15,172,517	177.0	\$14,233,594	\$12,858,065
2000	\$17,625,639	\$16,312,552	182.5	\$14,486,827	\$13,407,577
2001	\$17,666,551	\$18,565,254	187.1	\$14,163,456	\$14,883,956

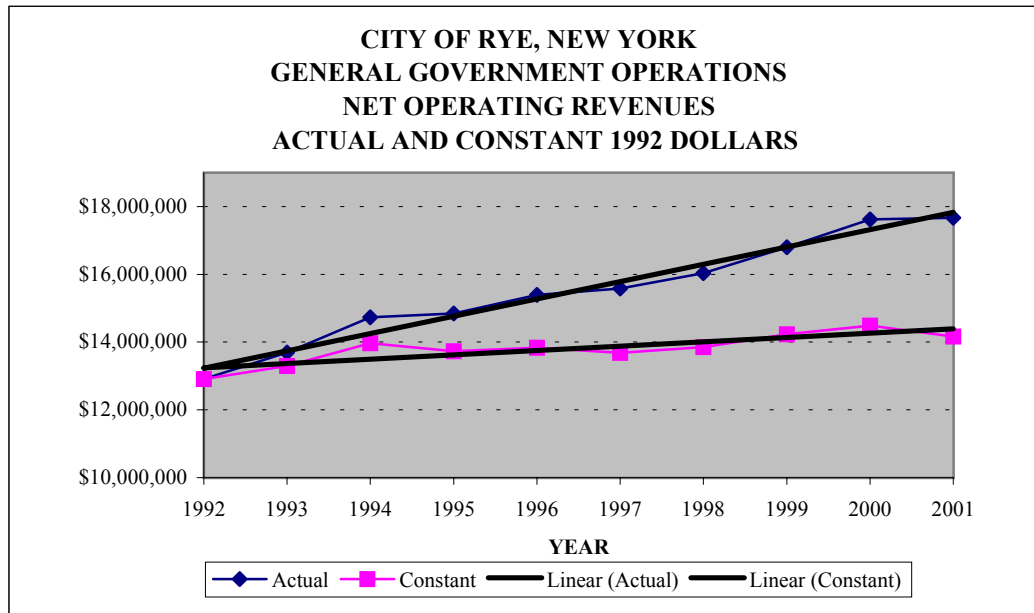
When net operating revenues and net operating expenditures are compared over time, we get a better picture of how well we are matching our revenues to expenditures. Net operating expenditures are defined as all expenditures other than operating transfers out. In this indicator, a positive trend is when net operating revenues and net operating expenditures move in tandem in the same direction. A negative trend occurs when the lines begin to converge or cross. Our trend has been a positive one. It should be noted that our trending was done using constant 1992 dollars for both revenues and expenditures to account for the effects of inflation.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Net Operating Revenues**

**Formula:** Net Operating Revenues

**Warning Trend:** Decreasing trend line



Year	Net Revenues		CPI-U	Net Revenues	
	Actual			Constant	
1992	\$12,913,389		150.0	\$12,913,389	
1993	\$13,691,279		154.5	\$13,292,504	
1994	\$14,727,709		158.2	\$13,964,326	
1995	\$14,848,353		162.2	\$13,731,523	
1996	\$15,396,596		166.9	\$13,837,564	
1997	\$15,583,753		170.8	\$13,685,966	
1998	\$16,037,984		173.6	\$13,857,705	
1999	\$16,795,641		177.0	\$14,233,594	
2000	\$17,625,639		182.5	\$14,486,827	
2001	\$17,666,551		187.1	\$14,163,456	

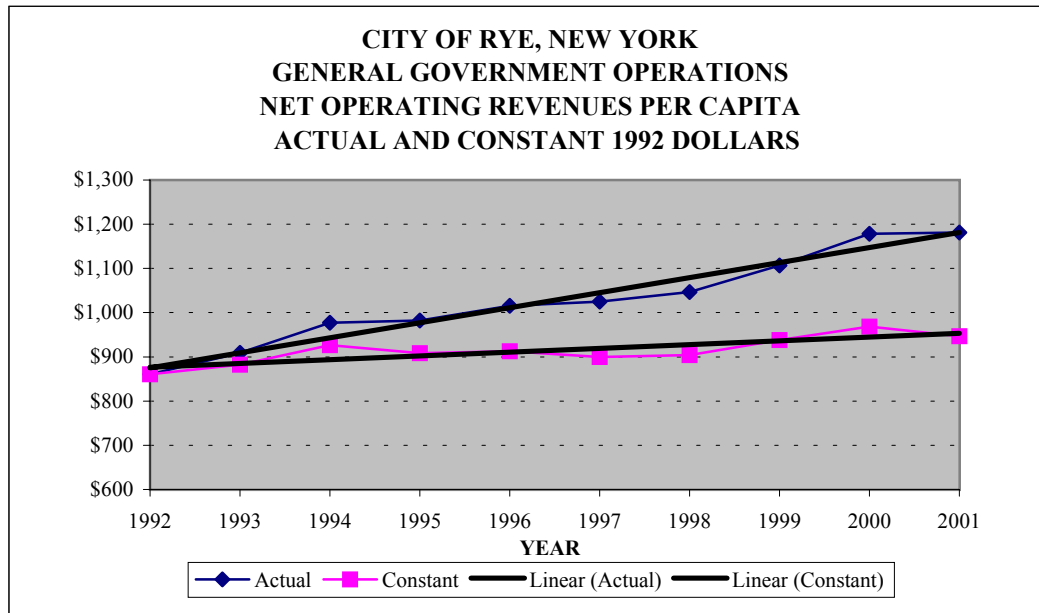
The purpose of this indicator is to show the trend of net operating revenues and the effects of inflation on that trend. Our trend shows a steady increase in actual net operating revenues, but when the effects of inflation are accounted for, the trend flattens considerably. This emphasizes the need to evaluate our operating expenditures as adjusted for inflation when developing fees and user charges.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Net Operating Revenues Per Capita**

**Formula:** Net Operating Revenues/Population

**Warning Trend:** Decreasing trend line



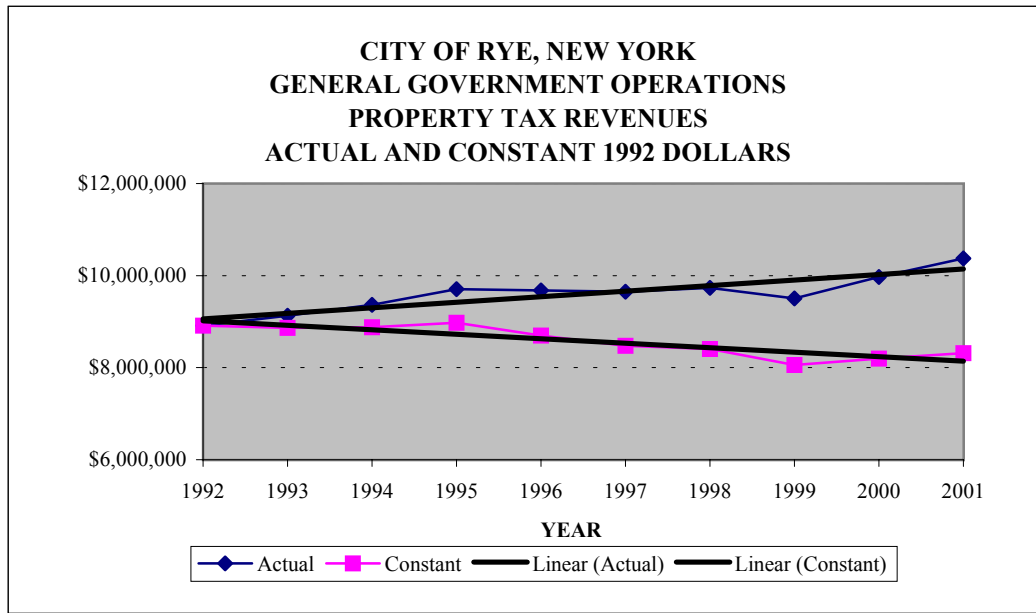
Year	Actual Revenues	Population	CPI-U	Per Capita Actual	Per Capita Constant
1992	\$12,913,389	15,005	150.0	\$861	\$861
1993	\$13,691,279	15,060	154.5	\$909	\$883
1994	\$14,727,709	15,071	158.2	\$977	\$927
1995	\$14,848,353	15,122	162.2	\$982	\$908
1996	\$15,396,596	15,164	166.9	\$1,015	\$913
1997	\$15,583,753	15,208	170.8	\$1,025	\$900
1998	\$16,037,984	15,326	173.6	\$1,046	\$904
1999	\$16,795,641	15,176	177.0	\$1,107	\$938
2000	\$17,625,639	14,955	182.5	\$1,179	\$969
2001	\$17,666,551	14,955	187.1	\$1,181	\$947

The purpose of this indicator is to measure how effectively we are earning revenue by calculating it on a per resident basis. Our trend in actual dollars per capita is a strong and steady increase, but in constant dollars the impact is less dramatic. This is important to remember when developing our revenue estimates and setting our taxes, fees, and other revenues.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Property Tax Revenues**

**Formula:** Property Tax Revenues  
**Warning Trend:** Decreasing trend line



Year	Property Tax Revenues Actual	CPI-U	Property Tax Revenues Constant
1992	\$8,910,754	150.0	\$8,910,754
1993	\$9,128,597	154.5	\$8,862,716
1994	\$9,365,212	158.2	\$8,879,784
1995	\$9,704,643	162.2	\$8,974,701
1996	\$9,680,734	166.9	\$8,700,480
1997	\$9,653,297	170.8	\$8,477,720
1998	\$9,731,058	173.6	\$8,408,172
1999	\$9,505,107	177.0	\$8,055,175
2000	\$9,970,349	182.5	\$8,194,807
2001	\$10,372,711	187.1	\$8,315,909

Property taxes are a major component of our general government operations, accounting for almost 60% of our total revenues. The amount of property tax revenue is dependent upon our tax rate and the value of our taxable assessed properties. The overall trend is a slight increase. The effects of inflation indicate a dramatic drop in the purchasing power of property tax revenues, a trend which cannot be sustained without additional offsetting revenues or decreases in expenditures.



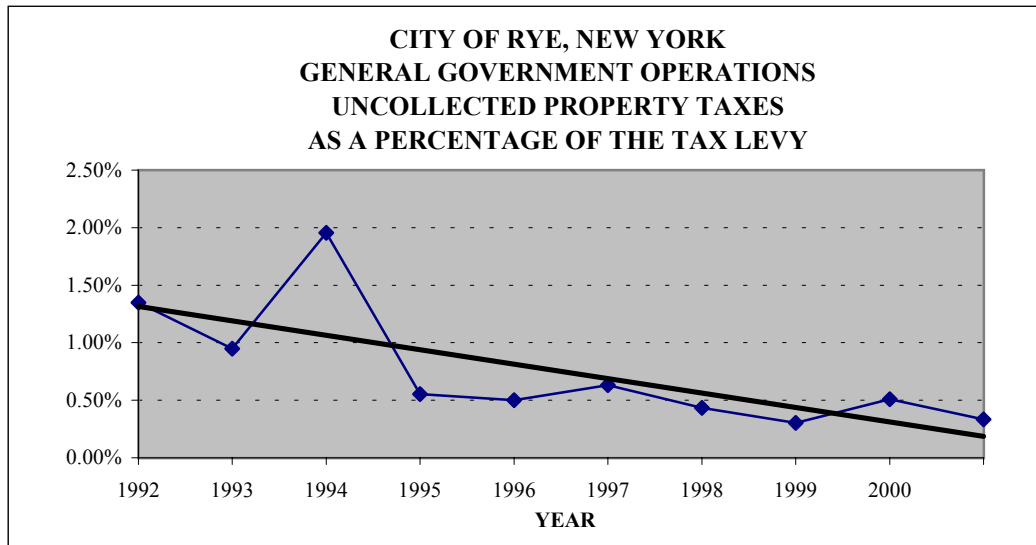
**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations**

**Uncollected Property Taxes to the Property Tax Levy**

**Formula:** Uncollected Property Taxes/Property Tax Levy

**Warning Trend:** Increasing trend line



Year	Uncollected Property Taxes	Property Tax Levy	Percent of Levy
1992	\$120,363	\$8,931,483	1.35%
1993	\$85,941	\$9,053,527	0.95%
1994	\$181,831	\$9,306,345	1.95%
1995	\$51,805	\$9,354,994	0.55%
1996	\$47,232	\$9,448,778	0.50%
1997	\$59,963	\$9,510,351	0.63%
1998	\$41,619	\$9,590,213	0.43%
1999	\$29,130	\$9,593,156	0.30%
2000	\$50,963	\$10,028,994	0.51%
2001	\$34,380	\$10,323,122	0.33%

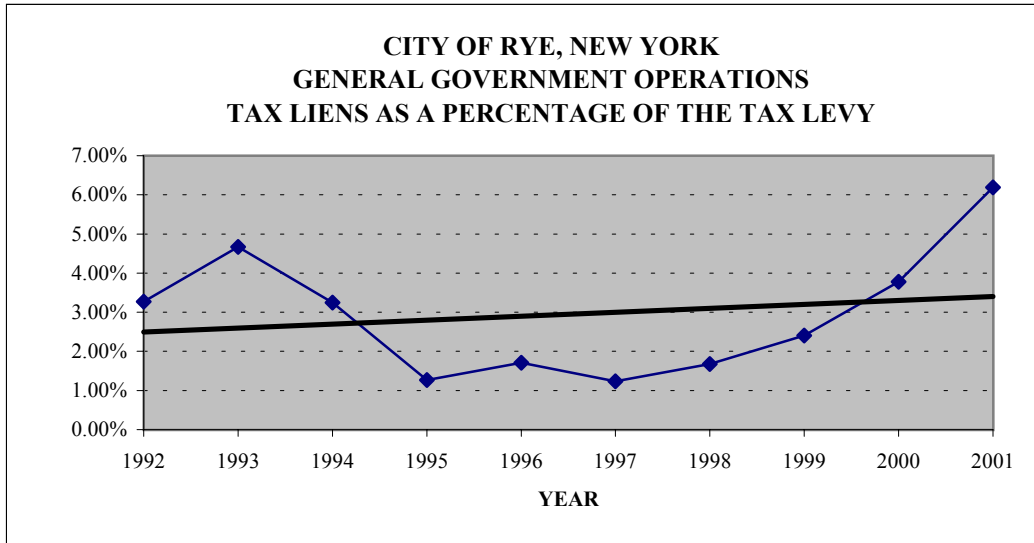
Rising uncollected property taxes can place a strain on the resources of the City and its ability to administer programs and services. Such increases may indicate an inability or unwillingness on the part of property owners to pay property taxes due to personal financial difficulties, or a negative economic trend in our community. It is therefore important that we are vigilant in noting any sign of an upward trend. For most of the trend period, our collection rate has been in excess of 99%, an excellent record when you consider that we must guarantee the taxes levied against properties within our city for Westchester County, the Rye City School District and the Rye Neck Union Free School District.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Tax Liens to the Property Tax Levy**

**Formula:** Tax Liens/Property Tax Levy

**Warning Trend:** Increasing trend line

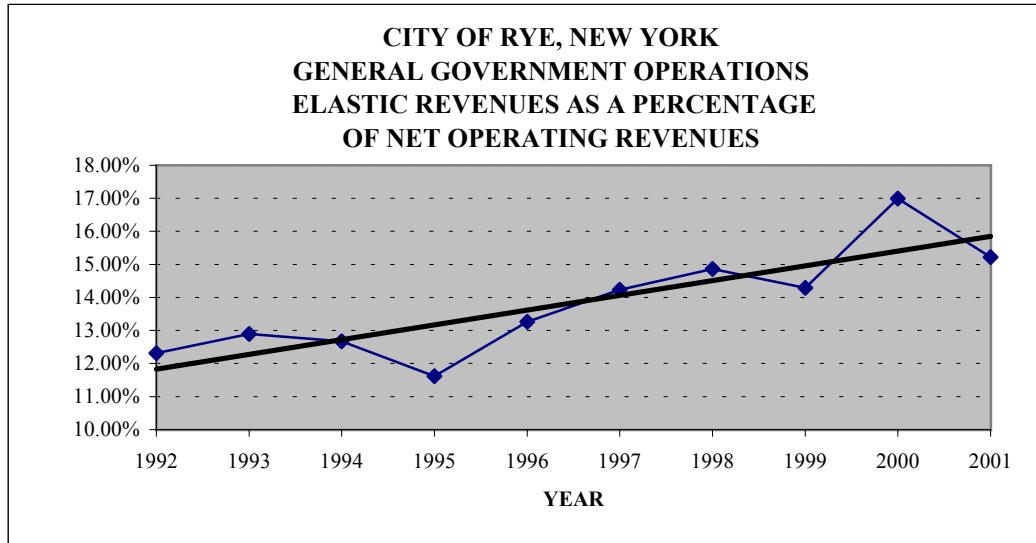


Year	Property Tax Liens	Property Tax Levy	Percent of Levy
1992	\$292,143	\$8,931,483	3.27%
1993	\$422,377	\$9,053,527	4.67%
1994	\$301,895	\$9,306,345	3.24%
1995	\$118,303	\$9,354,994	1.26%
1996	\$161,570	\$9,448,778	1.71%
1997	\$117,129	\$9,510,351	1.23%
1998	\$161,105	\$9,590,213	1.68%
1999	\$230,906	\$9,593,156	2.41%
2000	\$379,136	\$10,028,994	3.78%
2001	\$638,842	\$10,323,122	6.19%

Like uncollected property taxes, an increase in the amount of tax liens can place a financial strain on our resources, and may indicate an inability or unwillingness on the part of our property owners to pay property taxes. There has been a slow and steady increasing trend, something we must address with a more aggressive collection process. However, it should be noted that the ratio is still quite low at just above 6%, and can be dramatically reduced through the annual lien/foreclosure process.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Elastic Operating Revenues to Net Operating Revenues**  
*Formula:* Elastic Operating Revenues/Net Operating Revenues  
*Warning Trend:* Decreasing trend line



Year	Elastic Revenues	Net Operating Revenues	Percent to Gross
1992	\$1,590,052	\$12,913,389	12.31%
1993	\$1,765,093	\$13,691,279	12.89%
1994	\$1,866,776	\$14,727,709	12.68%
1995	\$1,724,605	\$14,848,353	11.61%
1996	\$2,041,982	\$15,396,596	13.26%
1997	\$2,218,379	\$15,583,753	14.24%
1998	\$2,383,626	\$16,037,984	14.86%
1999	\$2,400,258	\$16,795,641	14.29%
2000	\$2,994,641	\$17,625,639	16.99%
2001	\$2,689,527	\$17,666,551	15.22%

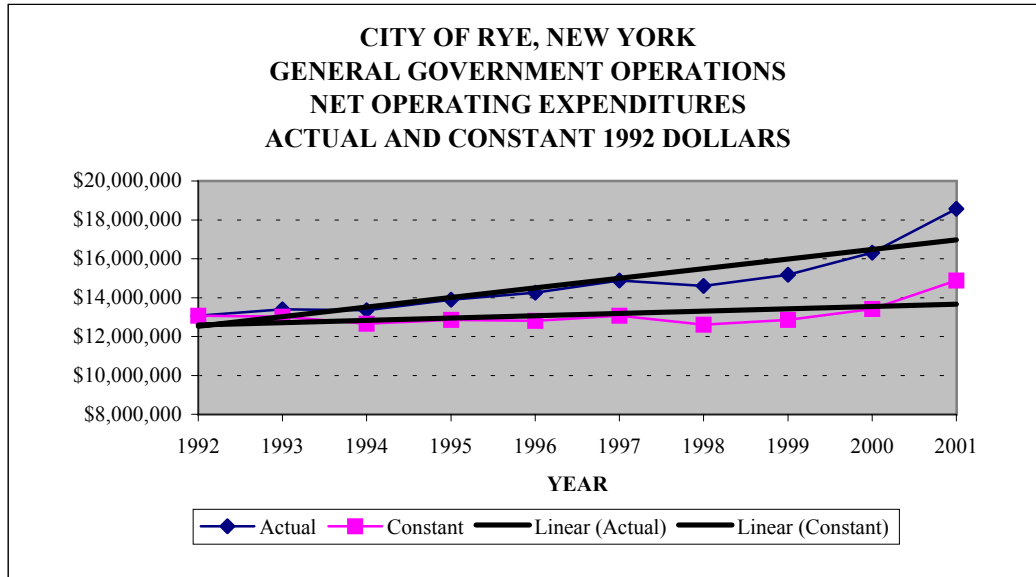
This indicator measures how dependent our revenue stream is on elastic revenues. Elastic revenues are defined as those revenues which may be affected by demographic or economic changes in our community, and include mortgage taxes, sales taxes, and utility gross receipts taxes. Elastic revenues will rise as the economic base expands or inflation rises. While the upward trend is positive in some respects, it means we are becoming more dependent upon elastic revenues and a downturn in the economy or a return of inflation could send it into a downward trend, requiring us to consider increases in other revenues such as taxes and user fees.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Net Operating Expenditures**

**Formula:** Net Operating Expenditures

**Warning Trend:** Increasing trend line



Year	Expenditures Actual	CPI-U	Expenditures Constant
1992	\$13,068,355	150.0	\$13,068,355
1993	\$13,407,201	154.5	\$13,016,700
1994	\$13,354,781	158.2	\$12,662,561
1995	\$13,896,199	162.2	\$12,850,986
1996	\$14,252,167	166.9	\$12,809,018
1997	\$14,878,737	170.8	\$13,066,806
1998	\$14,601,234	173.6	\$12,616,274
1999	\$15,172,517	177.0	\$12,858,065
2000	\$16,312,552	182.5	\$13,407,577
2001	\$18,565,254	187.1	\$14,883,956

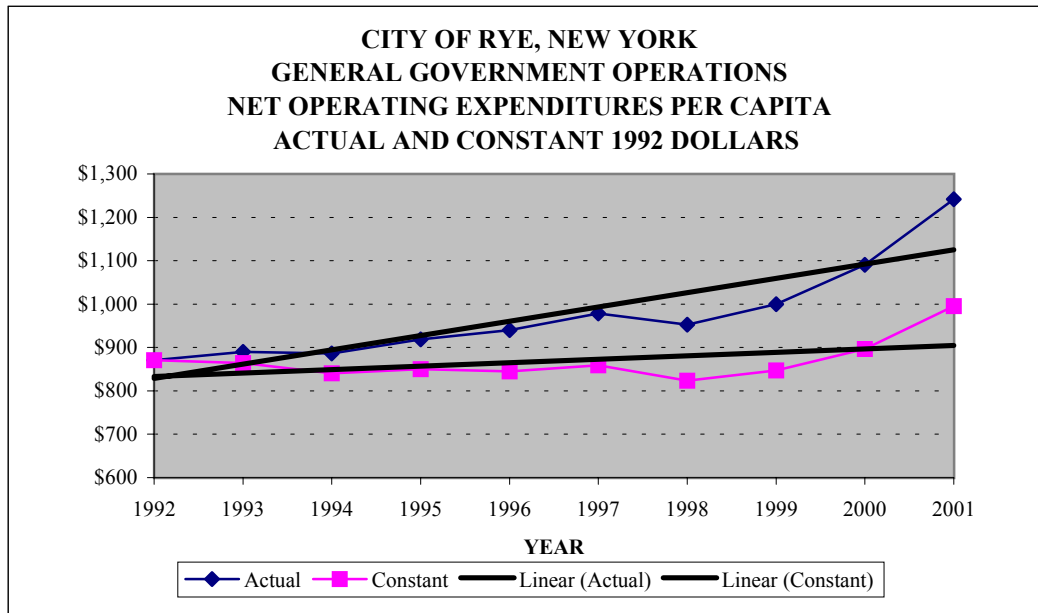
The purpose of this indicator is to show the trend of net operating expenditures and the effects of inflation on that trend. Our trend shows an increase in actual net operating expenditures, but when the effects of inflation are accounted for, the trend is relatively flat. This has to be considered in light of the trend of our operating revenues as adjusted for inflation, the setting of fees and charges, and the level services provided by the City.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Net Operating Expenditures Per Capita**

**Formula:** Net Operating Expenditures/Population

**Warning Trend:** Increasing trend line



Year	Expenditures			Per Capita	
	Actual	Population	CPI-U	Actual	Constant
1992	\$13,068,355	15,005	150.0	\$871	\$871
1993	\$13,407,201	15,060	154.5	\$890	\$864
1994	\$13,354,781	15,071	158.2	\$886	\$840
1995	\$13,896,199	15,122	162.2	\$919	\$850
1996	\$14,252,167	15,164	166.9	\$940	\$845
1997	\$14,878,737	15,208	170.8	\$978	\$859
1998	\$14,601,234	15,326	173.6	\$953	\$823
1999	\$15,172,517	15,176	177.0	\$1,000	\$847
2000	\$16,312,552	14,955	182.5	\$1,091	\$897
2001	\$18,565,254	14,955	187.1	\$1,241	\$995

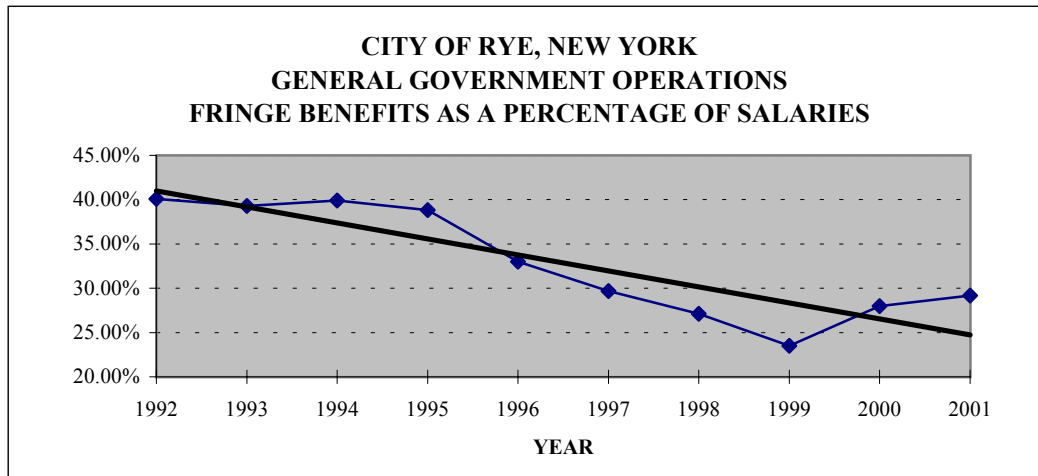
Net operating expenditures per capita indicate how much we are spending per person in terms of our City's population. A decrease in this indicator is a positive trend, indicating the cost-effective delivery of services, provided that it is not adversely affecting service levels to the point of community dissatisfaction. The trend appears to be moderately rising both in terms of current and constant dollars, and should be watched closely in context with other trend indicators. Part of the increase is due to the difference between the U.S. Census Bureau's 2000 actual count and the Bureau's population estimates for previous years.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Fringe Benefits to Salaries and Wages**

***Formula:*** Fringe Benefits/Salaries and Wages

***Warning Trend:*** Increasing trend line



Year	Fringe Benefits	Salaries and Wages	Percent
1992	\$2,505,635	\$6,253,242	40.07%
1993	\$2,550,367	\$6,488,231	39.31%
1994	\$2,616,773	\$6,559,665	39.89%
1995	\$2,660,784	\$6,851,656	38.83%
1996	\$2,405,584	\$7,292,070	32.99%
1997	\$2,292,852	\$7,722,645	29.69%
1998	\$2,097,626	\$7,734,443	27.12%
1999	\$1,912,941	\$8,142,398	23.49%
2000	\$2,414,451	\$8,632,550	27.97%
2001	\$2,812,297	\$9,635,292	29.19%

Salaries and employee benefits account for approximately 61% of our total general government net operating expenditures. Salaries are defined as compensation paid to full-time, part-time and seasonal employees. Employee benefits include the employer share of social security and Medicare (FICA), retirement, health insurance (including vision and dental), disability insurance and worker's compensation insurance. An increasing percentage of fringe benefits to salaries is a negative trend and may reveal increases in total compensation that may not otherwise be clearly seen in negotiated labor agreements. Our trend is a positive one, with fringe benefits decreasing. However, this trend may be coming to an end, as we are now beginning to see substantial increases in our insurance and retirement costs.

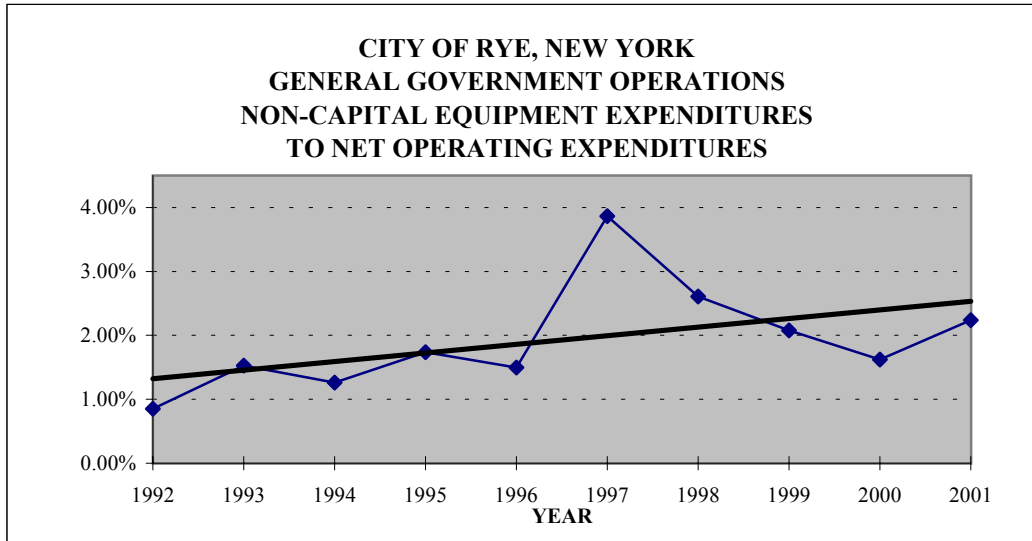
**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations**

**Non-capital Equipment Expenditures to Net Operating Expenditures**

**Formula:** Non-capital Equipment Expenditures/Net Operating Expenditures

**Warning Trend:** Decreasing trend line

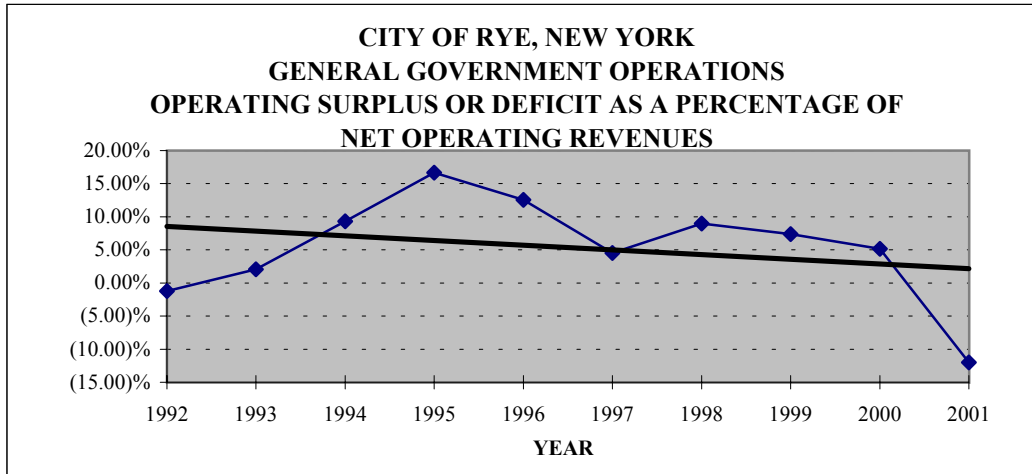


Year	Equipment Costs	Net Operating Expenditures	Percent
1992	\$111,524	\$13,068,355	0.85%
1993	\$204,371	\$13,407,201	1.52%
1994	\$168,134	\$13,354,781	1.26%
1995	\$241,407	\$13,896,199	1.74%
1996	\$213,626	\$14,252,167	1.50%
1997	\$574,834	\$14,878,737	3.86%
1998	\$380,640	\$14,601,234	2.61%
1999	\$315,291	\$15,172,517	2.08%
2000	\$264,501	\$16,312,552	1.62%
2001	\$415,429	\$18,565,254	2.24%

For this indicator, equipment is furniture and fixtures, office equipment, and other minor pieces of equipment with a value less than \$15,000 purchased with funds provided in the operating budgets. This indicator measures our commitment to replace aging equipment that may be costly to operate and maintain or technologically obsolete. Our trend shows a steady increase. The trend going forward is difficult at this time to ascertain. The vast majority of new equipment purchases are related to changes in technology, and while the changes occur with greater frequency (typically a major change every two to three years), the cost of such technology is decreasing just as dramatically.

City of Rye, New York  
2001 Financial Trends Report

**General Government Operations**  
**Operating Surplus or Deficit to Net Operating Revenues**  
*Formula:* Operating Surplus (Deficit)/Net Operating Revenues  
*Warning Trend:* Trend line remaining below zero percent



Year	Operating Surplus (Deficit)	Net Operating Revenues	Percent
1992	(\$154,966)	\$12,913,389	(1.20)%
1993	\$284,078	\$13,691,279	2.07%
1994	\$1,372,928	\$14,727,709	9.32%
1995	\$2,477,593	\$14,848,353	16.69%
1996	\$1,930,572	\$15,396,596	12.54%
1997	\$705,016	\$15,583,753	4.52%
1998	\$1,436,750	\$16,037,984	8.96%
1999	\$1,239,944	\$16,795,641	7.38%
2000	\$906,337	\$17,625,639	5.14%
2001	(\$2,123,032)	\$17,666,551	(12.02)%

An operating surplus occurs when net operating revenues exceed net operating expenditures, and an operating deficit occurs when net operating expenditures exceed net operating revenues. It is a positive result when an operating surplus occurs. An operating deficit is not necessarily a negative result, *provided that the operating deficit was planned*. Operating deficits are often planned when an amount of fund balance exists that is considered excessive and the excess amount is used to offset the cost of some programs and/or services. The overall trend has been downward over the past ten years with the trend line approaching zero. This indicates that while we are more closely matching our revenues to expenditure requirements, the amount available to replenish fund balance is steadily diminishing.



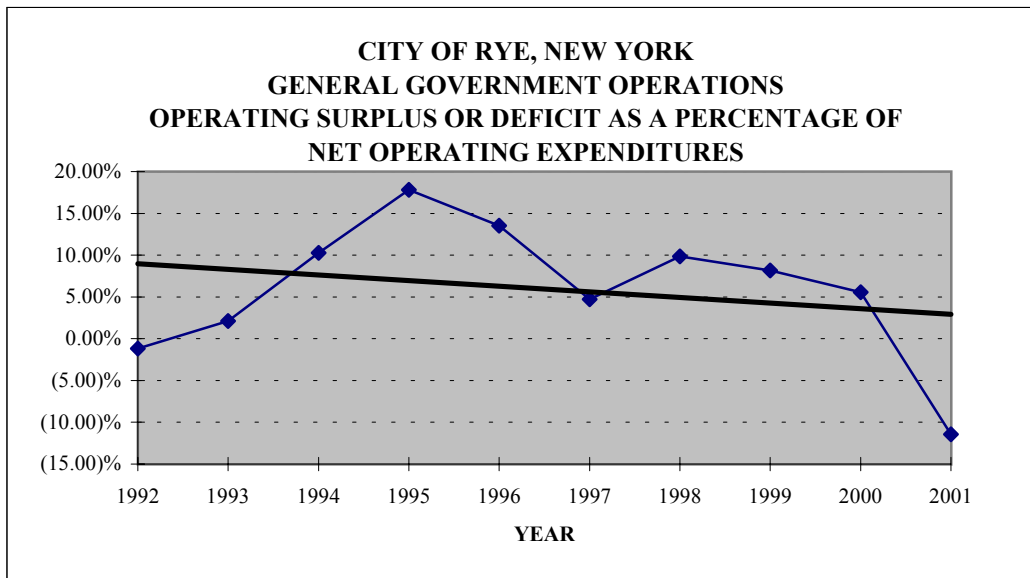
**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations**

**Operating Surplus or Deficit to Net Operating Expenditures**

**Formula:** Operating Surplus (Deficit)/Net Operating Expenditures

**Warning Trend:** Trend line remaining below zero percent



Year	Operating Surplus (Deficit)	Net Operating Expenditures	Percent
1992	(\$154,966)	\$13,068,355	(1.19)%
1993	\$284,078	\$13,407,201	2.12%
1994	\$1,372,928	\$13,354,781	10.28%
1995	\$2,477,593	\$13,896,199	17.83%
1996	\$1,930,572	\$14,252,167	13.55%
1997	\$705,016	\$14,878,737	4.74%
1998	\$1,436,750	\$14,601,234	9.84%
1999	\$1,239,944	\$15,172,517	8.17%
2000	\$906,337	\$16,312,552	5.56%
2001	(\$2,123,032)	\$18,565,254	(11.44)%

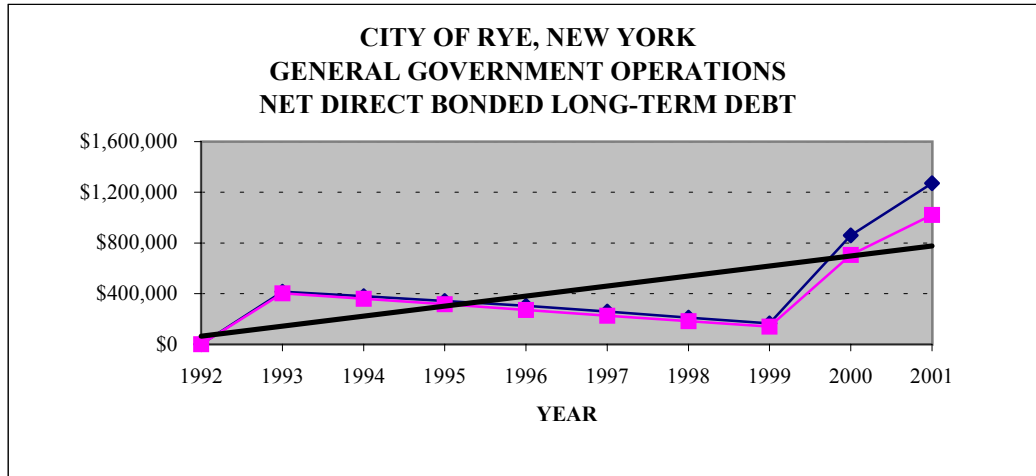
This indicator is another measure of our ability to meet annual expenditures with annual revenues, establishing the relationship between an operating surplus or deficit and net operating expenditures. Some prefer to use this indicator on the theory that expenditures are a better measure than revenues of a community's demands and requirements. Again, the downward trend should be noted when considering the level of fund balance and how much may be used to fund programs and services.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Net Direct Bonded Long-Term Debt**

**Formula:** Net Direct Bonded Long-Term Debt

**Warning Trend:** Increasing trend line



Year	Net Direct Long-Term Debt Actual	CPI-U	Net Direct Long-Term Debt Constant
1992	\$0	150.0	\$0
1993	\$414,348	154.5	\$402,280
1994	\$378,158	158.2	\$358,557
1995	\$340,725	162.2	\$315,097
1996	\$302,183	166.9	\$271,584
1997	\$256,573	170.8	\$225,328
1998	\$210,824	173.6	\$182,164
1999	\$165,525	177.0	\$140,275
2000	\$859,256	182.5	\$706,238
2001	\$1,272,550	187.1	\$1,020,216

Net direct bonded long-term debt is defined as general obligation debt (bonds) which is not otherwise accounted for in a proprietary fund (Boat Basin Fund, Golf Club Fund, Risk Retention Fund, and Building and Vehicle Maintenance Fund). We measure this trend in actual and constant dollars. Increasing outstanding debt impairs our ability to borrow in the future and provides less flexibility in the programming of budgeted funds. An increase in this indicator may be viewed as a negative one, but must take into account the overall debt outstanding and the purposes served by that debt. Debt has risen since 1999, but our overall debt is still low.

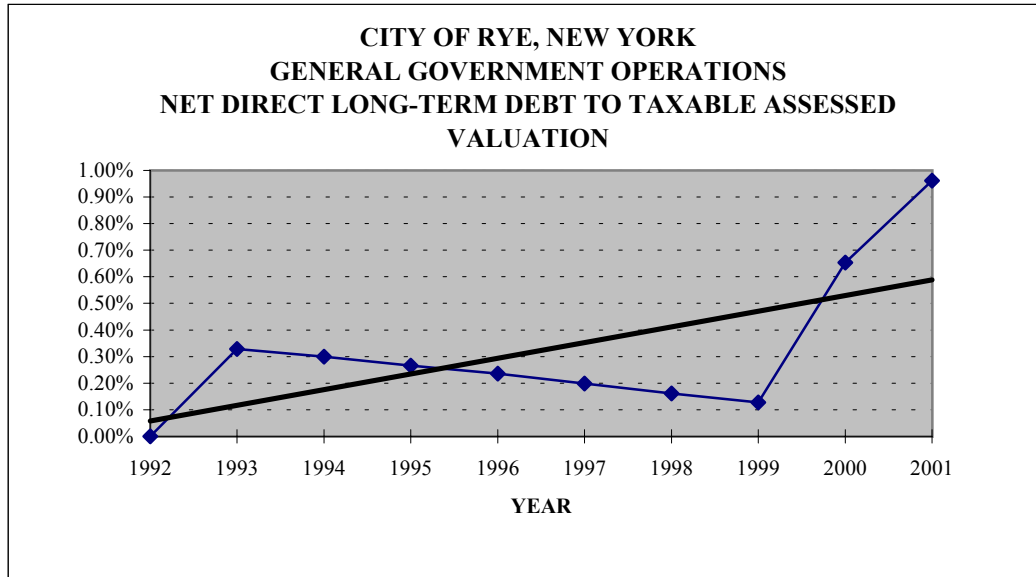
**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations**

**Net Direct Bonded Long-Term Debt to Taxable Assessed Valuation**

**Formula:** Net Direct Bonded Long-Term Debt/Taxable Assessed Valuation

**Warning Trend:** Increasing trend line



Year	Net Direct Long-Term Debt	Taxable Assessed Valuation	Percent
1992	\$0	\$126,595,822	0.00%
1993	\$414,348	\$126,267,448	0.33%
1994	\$378,158	\$126,123,883	0.30%
1995	\$340,725	\$128,197,021	0.27%
1996	\$302,183	\$128,172,616	0.24%
1997	\$256,573	\$129,240,016	0.20%
1998	\$210,824	\$130,261,141	0.16%
1999	\$165,525	\$130,271,093	0.13%
2000	\$859,256	\$131,559,102	0.65%
2001	\$1,272,550	\$132,432,299	0.96%

This indicator puts into perspective our outstanding long-term debt in relationship to our taxable assessed valuation, allowing us to determine if we have sufficient taxing power to afford current and future debt. While our trend shows an increase, we retain an extremely low percentage (less than 1 percent) of outstanding debt in comparison to our taxable assessed valuation.

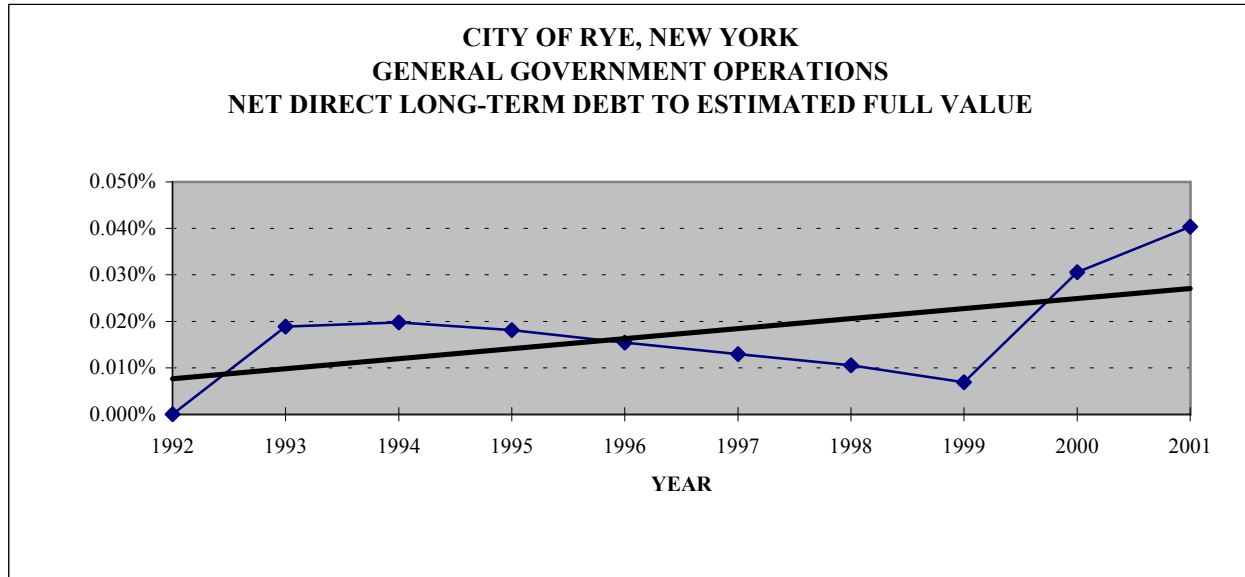
**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations**

**Net Direct Bonded Long-Term Debt to Estimated Full Valuation**

***Formula:*** Net Direct Bonded Long-Term Debt/Estimated Full Valuation

***Warning Trend:*** Increasing trend line



Year	Net Direct Long-Term Debt	Taxable Assessed Valuation	State Equalization Rate	Estimated Full Value	Percent
1992	\$0	\$126,595,822	5.77%	\$2,194,035,043	0.000%
1993	\$414,348	\$126,267,448	5.75%	\$2,195,955,617	0.019%
1994	\$378,158	\$126,123,883	6.60%	\$1,910,967,924	0.020%
1995	\$340,725	\$128,197,021	6.82%	\$1,879,721,716	0.018%
1996	\$302,183	\$128,172,616	6.53%	\$1,962,827,198	0.015%
1997	\$256,573	\$129,240,016	6.53%	\$1,979,173,292	0.013%
1998	\$210,824	\$130,261,141	6.53%	\$1,994,810,735	0.011%
1999	\$165,525	\$130,271,093	5.42%	\$2,403,525,701	0.007%
2000	\$859,256	\$131,559,102	4.68%	\$2,811,091,923	0.031%
2001	\$1,272,550	\$132,432,299	4.20%	\$3,153,149,976	0.040%

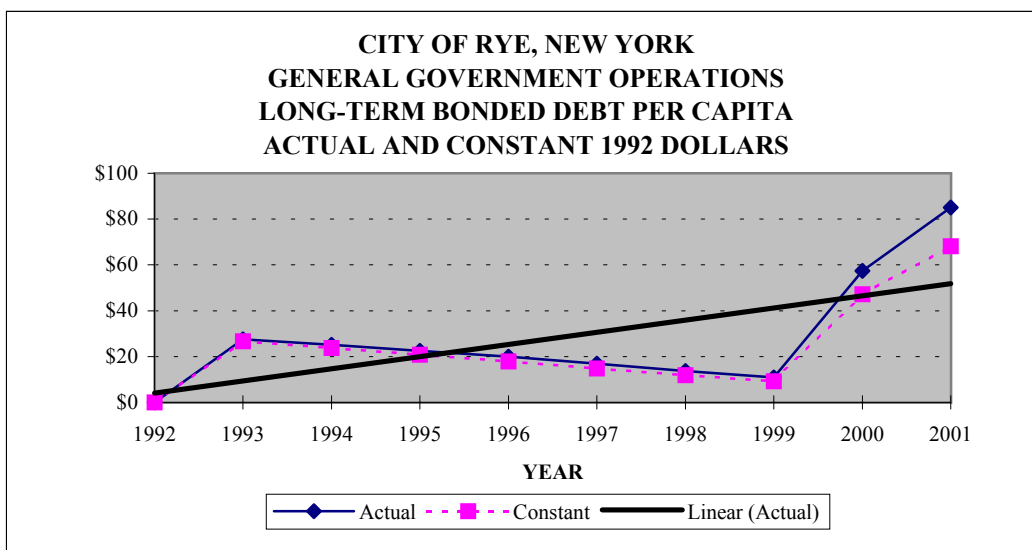
Estimated full value is calculated by taking the taxable assessed value and dividing it by our State equalization rate in an attempt to reach a market value estimate. This indicator is similar to our net long-term debt to taxable assessed value. At less than one-tenth of one percent, our ratio is extremely favorable.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Net Direct Bonded Long-Term Debt Per Capita**

**Formula:** Net Direct Bonded Long-Term Debt/Population

**Warning Trend:** Increasing trend line



Year	Net Direct Long-Term Debt	CPI-U	Constant Dollars	Population	Debt Per Capita Actual	Debt Per Capita Constant
1992	\$0	150.0	\$0	15,005	\$0	\$0
1993	\$414,348	154.5	\$402,280	15,060	\$28	\$27
1994	\$378,158	158.2	\$358,557	15,071	\$25	\$24
1995	\$340,725	162.2	\$315,097	15,122	\$23	\$21
1996	\$302,183	166.9	\$271,584	15,164	\$20	\$18
1997	\$256,573	170.8	\$225,328	15,208	\$17	\$15
1998	\$210,824	173.6	\$182,164	15,326	\$14	\$12
1999	\$165,525	177.0	\$140,275	15,176	\$11	\$9
2000	\$859,256	182.5	\$706,238	14,955	\$57	\$47
2001	\$1,272,550	187.1	\$1,020,216	14,955	\$85	\$68

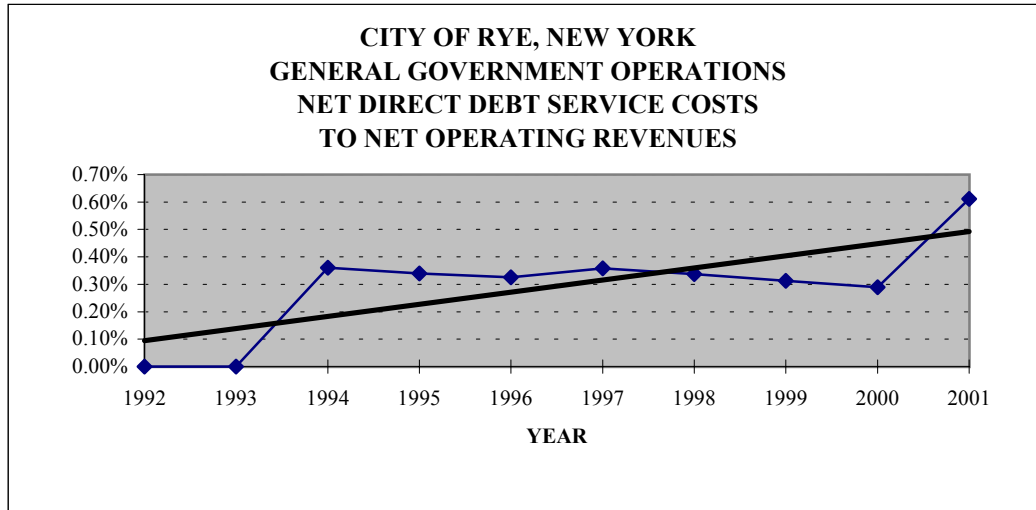
Long-term debt per capita is an indicator used to measure the burden of debt per person. Theoretically, as debt increases and population remains the same or decreases, the amount of debt per person becomes an increasing burden and the ability to repay such debt may someday be in jeopardy. Our ratio is still favorable at \$85 per capita.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Net Direct Debt Service to Net Operating Revenues**

**Formula:** Net Direct Debt Service/Net Operating Revenues

**Warning Trend:** Increasing trend line



Year	Net Direct Debt Service	Net Operating Revenues	Percent
1992	\$0	\$12,913,389	0.00%
1993	\$0	\$13,691,279	0.00%
1994	\$53,042	\$14,727,709	0.36%
1995	\$50,493	\$14,848,353	0.34%
1996	\$50,161	\$15,396,596	0.33%
1997	\$55,792	\$15,583,753	0.36%
1998	\$54,164	\$16,037,984	0.34%
1999	\$52,536	\$16,795,641	0.31%
2000	\$50,908	\$17,625,639	0.29%
2001	\$107,930	\$17,666,551	0.61%

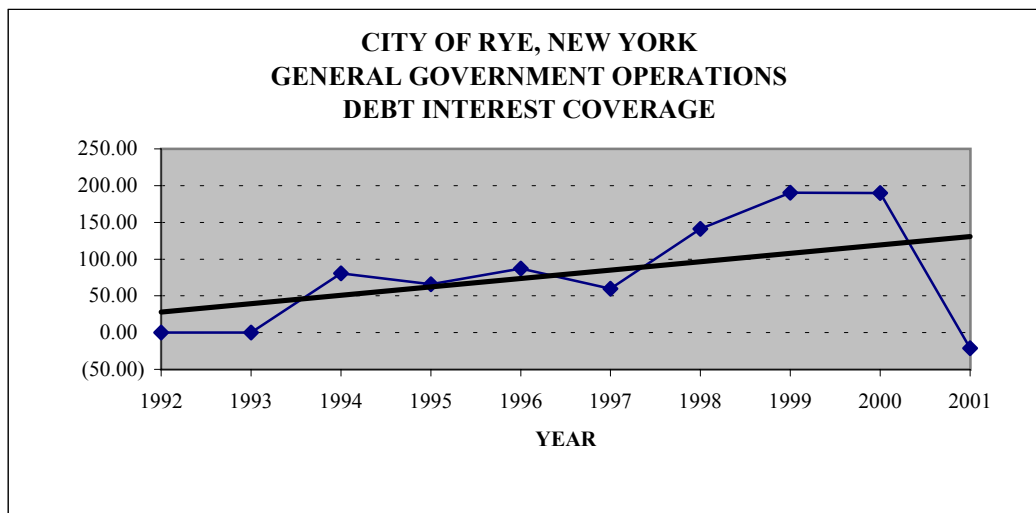
Debt service is defined as the annual principal and interest payments due on long-term debt. The debt service to net operating revenue indicator measures the ability of our revenue stream to meet annual debt payments. The International City/County Management Association (ICMA) considers a ratio of 10% to be acceptable. While our trend is rising our ratio at the end of 2001 is below 1%.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Debt Interest Coverage**

**Formula:** Net Revenues/Debt Interest

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Debt Interest	Debt Interest Coverage
1992	(\$154,966)	\$0	0.00
1993	\$284,078	\$0	0.00
1994	\$1,372,928	\$17,042	80.56
1995	\$952,154	\$14,493	65.70
1996	\$1,144,429	\$13,161	86.96
1997	\$705,016	\$11,792	59.79
1998	\$1,436,750	\$10,164	141.36
1999	\$1,623,124	\$8,536	190.15
2000	\$1,313,087	\$6,908	190.08
2001	(\$898,703)	\$42,649	(21.07)

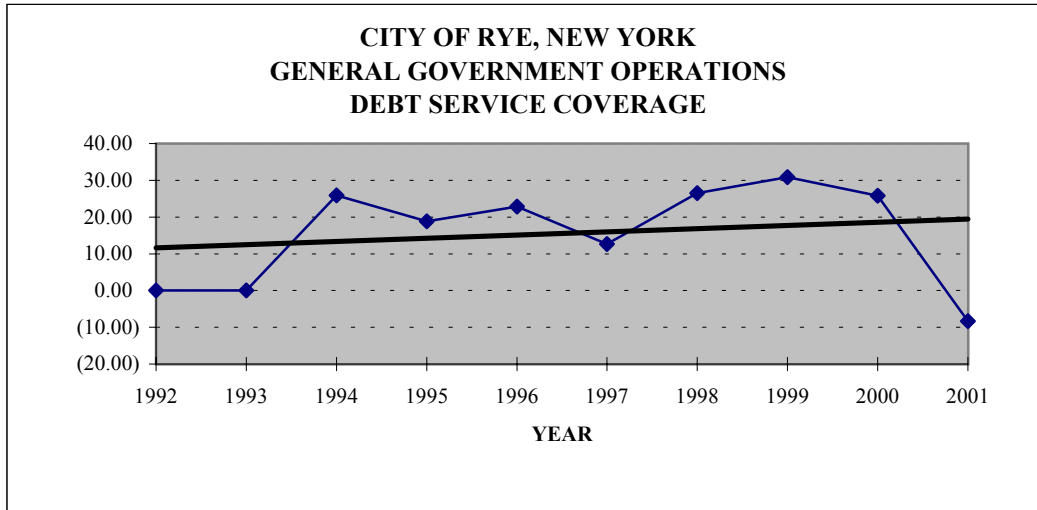
Debt interest coverage is a ratio used to evaluate the ability of a municipality to cover its debt interest costs with net operating revenues. Since this is an x:1 ratio, an increasing trend is a positive trend. Our debt interest coverage shows this positive increasing trend. The planned operating deficit of 2001 resulted in the first negative debt interest coverage in the ten-year trend analysis.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Debt Service Coverage**

***Formula:*** Net Revenues/Debt Principal + Interest

***Warning Trend:*** Decreasing trend line



Year	Net Revenues	Debt Service	Debt Service Coverage
1992	(\$154,966)	\$0	N/A
1993	\$284,078	\$0	N/A
1994	\$1,372,928	\$53,042	25.88
1995	\$952,154	\$50,493	18.86
1996	\$1,144,429	\$50,161	22.82
1997	\$705,016	\$55,792	12.64
1998	\$1,436,750	\$54,164	26.53
1999	\$1,623,124	\$52,536	30.90
2000	\$1,313,087	\$50,908	25.79
2001	(\$898,703)	\$107,930	(8.33)

Similar to debt interest coverage, debt service coverage is a ratio used to evaluate the ability of a municipality to cover its debt service costs (annual principal and interest) with net operating revenues. Since this is an x:1 ratio, an increasing trend is a positive trend. Our trend is positive, but as noted in the debt interest coverage indicator, the planned operating deficit of 2001 resulted in the only negative debt service coverage in the ten-year trend period.

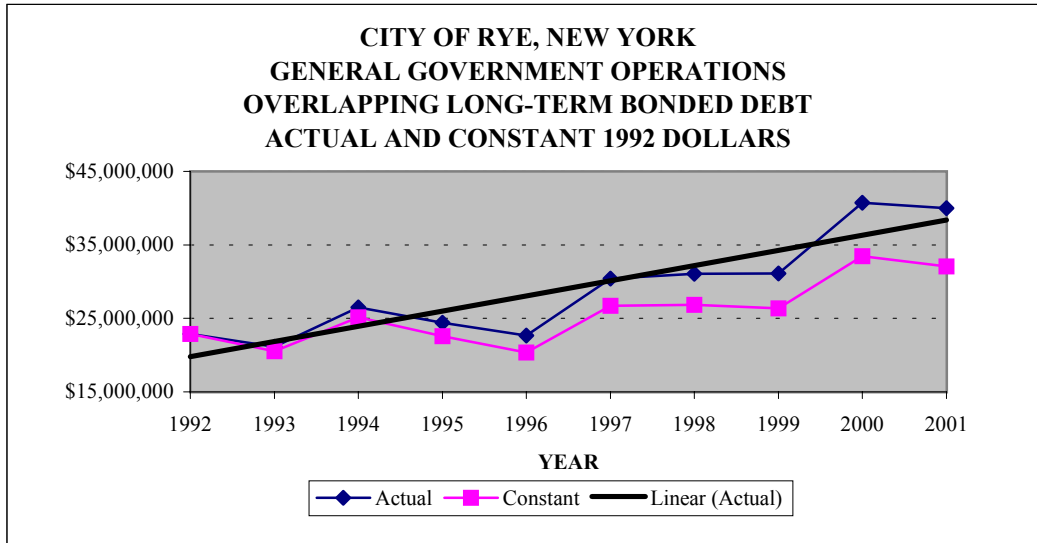


**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Overlapping Bonded Debt**

**Formula:** Long-Term Overlapping Bonded Debt

**Warning Trend:** Increasing trend line



Year	Overlapping Debt	CPI-U	Overlapping Debt
	Actual		Constant
1992	\$22,871,595	150.0	\$22,871,595
1993	\$21,144,232	154.5	\$20,528,381
1994	\$26,510,673	158.2	\$25,136,542
1995	\$24,415,334	162.2	\$22,578,916
1996	\$22,644,696	166.9	\$20,351,734
1997	\$30,406,003	170.8	\$26,703,164
1998	\$31,053,089	173.6	\$26,831,586
1999	\$31,090,224	177.0	\$26,347,647
2000	\$40,713,463	182.5	\$33,463,120
2001	\$39,976,242	187.1	\$32,049,366

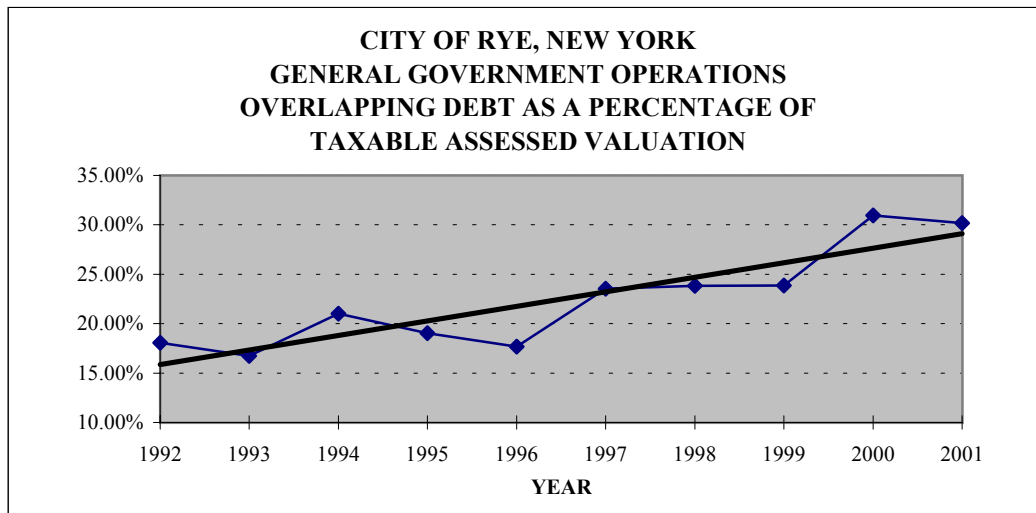
Overlapping long-term debt is the net direct bonded debt of another jurisdiction that is issued against a tax base within part or all of the boundaries of a community. Westchester County and the school districts in our community incur debt for their own purposes, and part of their tax levies on our property owners are used to pay down that debt. Overlapping debt can place an economic burden on our taxpayers, even if the City's debt level is low. Measured in actual and constant dollars, the trend indicates that overlapping debt is increasing. This should be of concern to all taxing jurisdictions, including the City, when planning future debt issues.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Overlapping Bonded Debt to Taxable Assessed Valuation**

**Formula:** Long-Term Overlapping Bonded Debt/Taxable Assessed Valuation

**Warning Trend:** Increasing trend line



Year	Overlapping Bonded Debt	Taxable Assessed Valuation	Percent
1992	\$22,871,595	\$126,595,822	18.07%
1993	\$21,144,232	\$126,267,448	16.75%
1994	\$26,510,673	\$126,123,883	21.02%
1995	\$24,415,334	\$128,197,021	19.05%
1996	\$22,644,696	\$128,172,616	17.67%
1997	\$30,406,003	\$129,240,016	23.53%
1998	\$31,053,089	\$130,261,141	23.84%
1999	\$31,090,224	\$130,271,093	23.87%
2000	\$40,713,463	\$131,559,102	30.95%
2001	\$39,976,242	\$132,432,299	30.19%

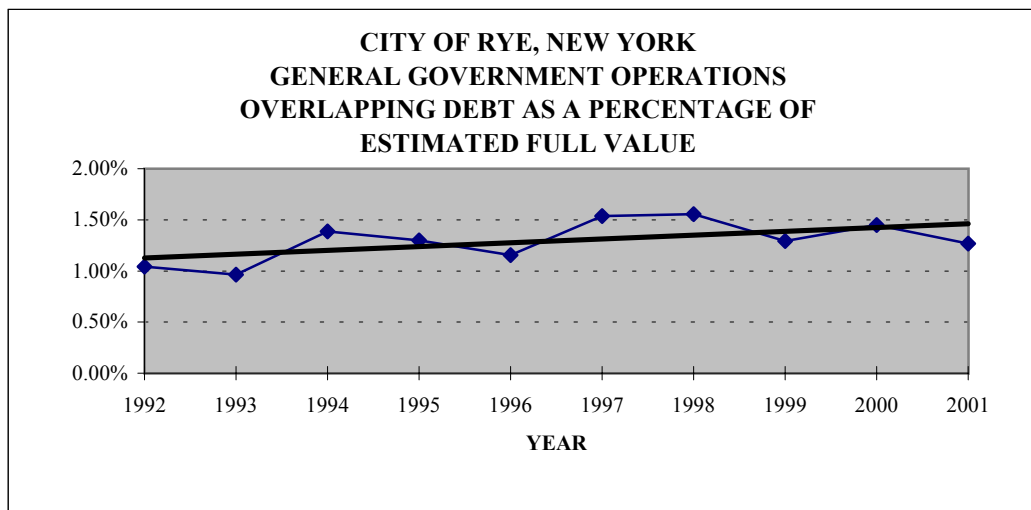
Overlapping long-term debt as a percentage of taxable assessed valuation measures the ability of other governments to tax our property owners for the repayment of outstanding debt. The ratio has slowly increased from 18% to almost 31%. While this is not a cause for immediate concern, a continuing increase in the trend may signal a need for the various local governments (county, school districts and city) to coordinate their efforts in terms of long-term financing initiatives.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Overlapping Bonded Debt to Estimated Full Valuation**

**Formula:** Long-Term Overlapping Bonded Debt/Estimated Full Valuation

**Warning Trend:** Increasing trend line



Year	Overlapping Bonded Debt	Taxable Assessed Valuation	State Equalization Rate	Estimated Full Value	Percent Actual
1992	\$22,871,595	\$126,595,822	5.77%	\$2,194,035,043	1.04%
1993	\$21,144,232	\$126,267,448	5.75%	\$2,195,955,617	0.96%
1994	\$26,510,673	\$126,123,883	6.60%	\$1,910,967,924	1.39%
1995	\$24,415,334	\$128,197,021	6.82%	\$1,879,721,716	1.30%
1996	\$22,644,696	\$128,172,616	6.53%	\$1,962,827,198	1.15%
1997	\$30,406,003	\$129,240,016	6.53%	\$1,979,173,292	1.54%
1998	\$31,053,089	\$130,261,141	6.53%	\$1,994,810,735	1.56%
1999	\$31,090,224	\$130,271,093	5.42%	\$2,403,525,701	1.29%
2000	\$40,713,463	\$131,559,102	4.68%	\$2,811,091,923	1.45%
2001	\$39,976,242	\$132,432,299	4.20%	\$3,153,149,976	1.27%

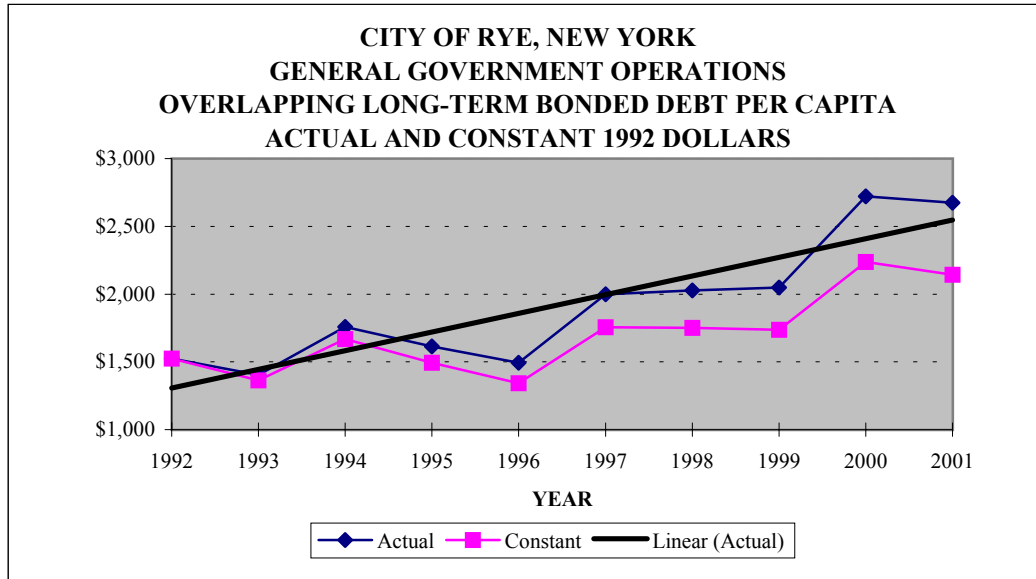
Overlapping long-term debt as a percentage of estimated full value is another indicator of debt burden. Our trend has remained relatively flat with a favorable ratio of only 1.27% in 2001.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Net Direct Bonded Overlapping Debt Per Capita**

**Formula:** Net Direct Bonded Overlapping Debt/Population

**Warning Trend:** Increasing trend line



Year	Net Direct Long-Term Debt	CPI-U	Constant Dollars	Population	Debt Per Capita Actual	Debt Per Capita Constant
1992	\$22,871,595	150.0	\$22,871,595	15,005	\$1,524	\$1,524
1993	\$21,144,232	154.5	\$20,528,381	15,060	\$1,404	\$1,363
1994	\$26,510,673	158.2	\$25,136,542	15,071	\$1,759	\$1,668
1995	\$24,415,334	162.2	\$22,578,916	15,122	\$1,615	\$1,493
1996	\$22,644,696	166.9	\$20,351,734	15,164	\$1,493	\$1,342
1997	\$30,406,003	170.8	\$26,703,164	15,208	\$1,999	\$1,756
1998	\$31,053,089	173.6	\$26,831,586	15,326	\$2,026	\$1,751
1999	\$31,090,224	177.0	\$26,347,647	15,176	\$2,049	\$1,736
2000	\$40,713,463	182.5	\$33,463,120	14,955	\$2,722	\$2,238
2001	\$39,976,242	187.1	\$32,049,366	14,955	\$2,673	\$2,143

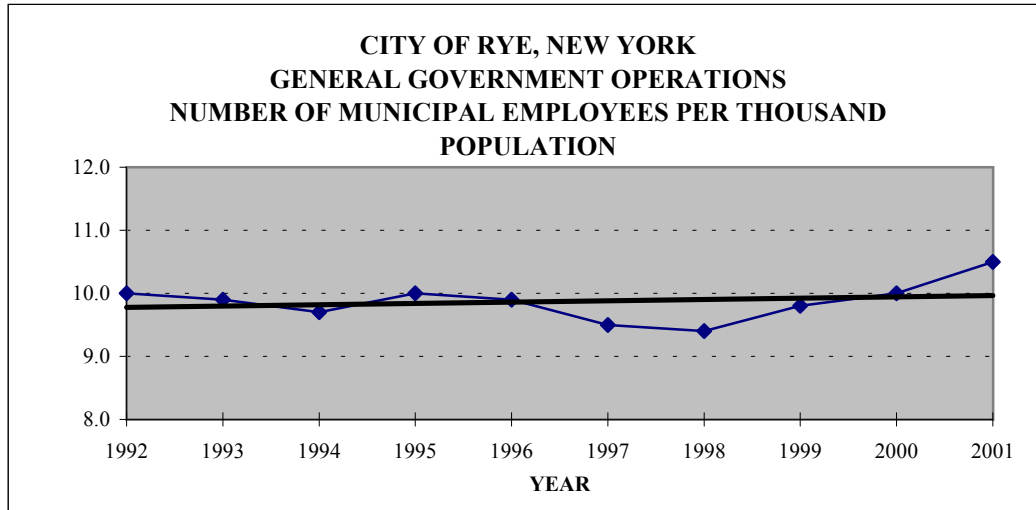
Overlapping long-term debt per capita is another indicator of debt burden, this time on a "per person" basis. The trend is an increasing one, similar to our other debt burden indicators and trends.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Municipal Employees Per Capita**

**Formula:** Number of Municipal Employees/Population

**Warning Trend:** Increasing trend line



Year	Municipal Employees	Population	Employees Per Thousand Population
1992	149.5	15,005	10.0
1993	149.5	15,060	9.9
1994	146.0	15,071	9.7
1995	150.5	15,122	10.0
1996	150.5	15,164	9.9
1997	144.5	15,208	9.5
1998	143.5	15,326	9.4
1999	149.0	15,176	9.8
2000	150.0	14,955	10.0
2001	157.5	14,955	10.5

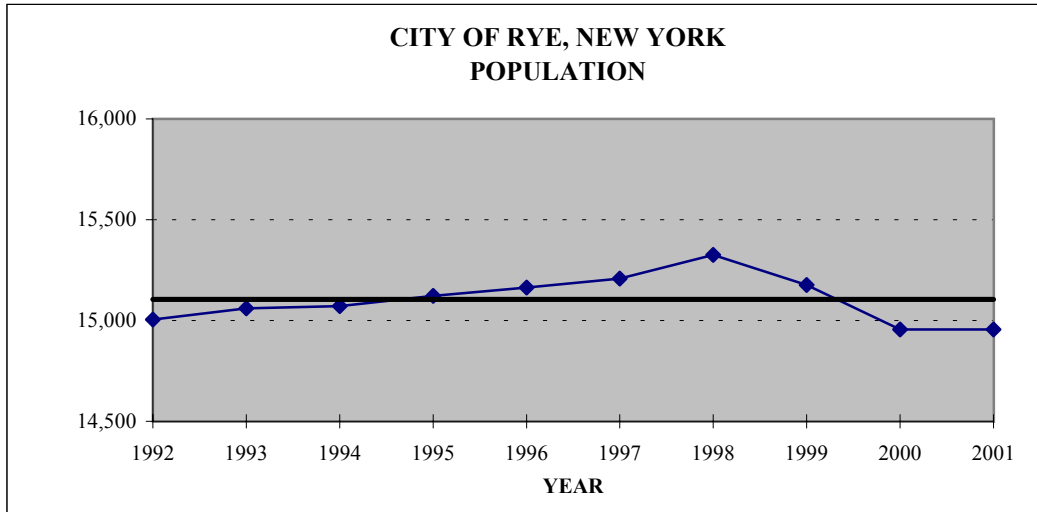
For purposes of this indicator, municipal employees are defined as full time employees actually in service at year end as recorded in our Annual Budget document. An increasing trend in the number of full time employees may foretell expenditures rising faster than revenues, a government that is becoming more labor intensive, and/or a reduction in employee productivity. Our ratio shows a stable trend working within a very narrow range, between 9 and 11 employees per thousand population. Part of the increase in 2000 and 2001 is due to the difference between actual Census 2000 population figures and estimates by the Bureau in previous years.

**City of Rye, New York  
2001 Financial Trends Report**

**General Government Operations  
Population**

**Formula:** Estimated Population per the U.S. Census Bureau

**Warning Trend:** Decreasing trend line



Year	Population
1992	15,005
1993	15,060
1994	15,071
1995	15,122
1996	15,164
1997	15,208
1998	15,326
1999	15,176
2000	14,955
2001	14,955

Changes in population may require us to reconsider the level of programs and services we offer, and the ability of our community to fund such programs and services. Our population figures are per the U.S. Census Bureau estimates for 1992 through 1999 and the Census 2000 count. Since estimates for 2001 are not yet available, we are using the Census 2000 numbers for 2001. Taken by itself, the nominal change of 50 people over the ten-year period would not require a re-evaluation of service levels.

***Boat Basin Enterprise Fund***

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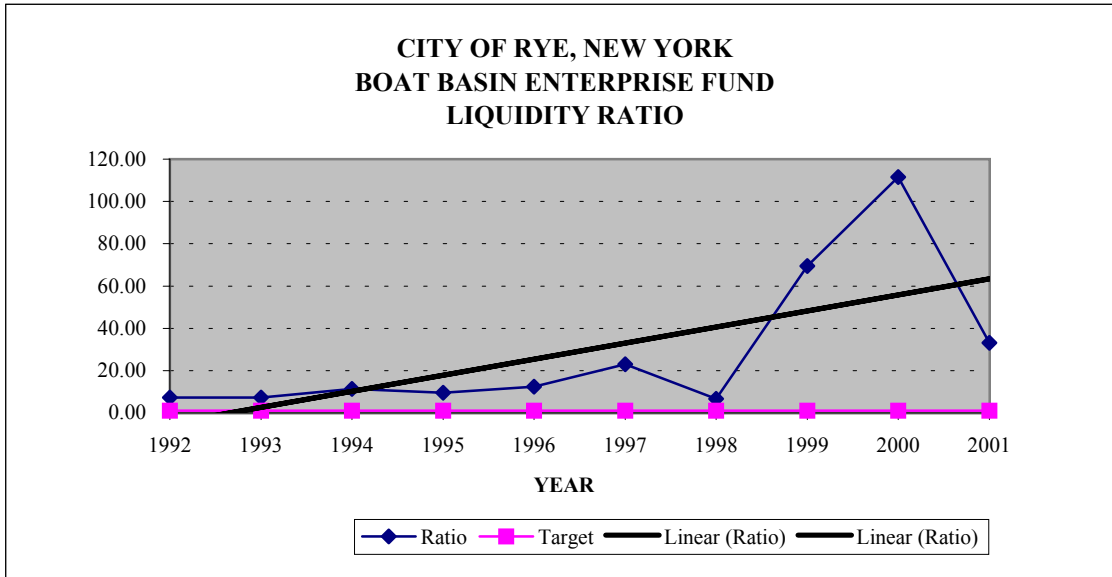


**City of Rye, New York  
2001 Financial Trends Report**

**Boat Basin Enterprise Fund  
Liquidity Ratio**

**Formula:** Cash and Short-Term Investments/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Cash and Short-Term Investments	Current Liabilities	Liquidity Ratio	Target
1992	\$465,597	\$63,668	7.31	1.00
1993	\$531,976	\$72,965	7.29	1.00
1994	\$259,757	\$22,789	11.40	1.00
1995	\$313,692	\$32,855	9.55	1.00
1996	\$396,664	\$32,135	12.34	1.00
1997	\$462,289	\$20,111	22.99	1.00
1998	\$590,554	\$88,025	6.71	1.00
1999	\$451,772	\$6,511	69.39	1.00
2000	\$652,261	\$5,850	111.50	1.00
2001	\$815,860	\$24,658	33.09	1.00

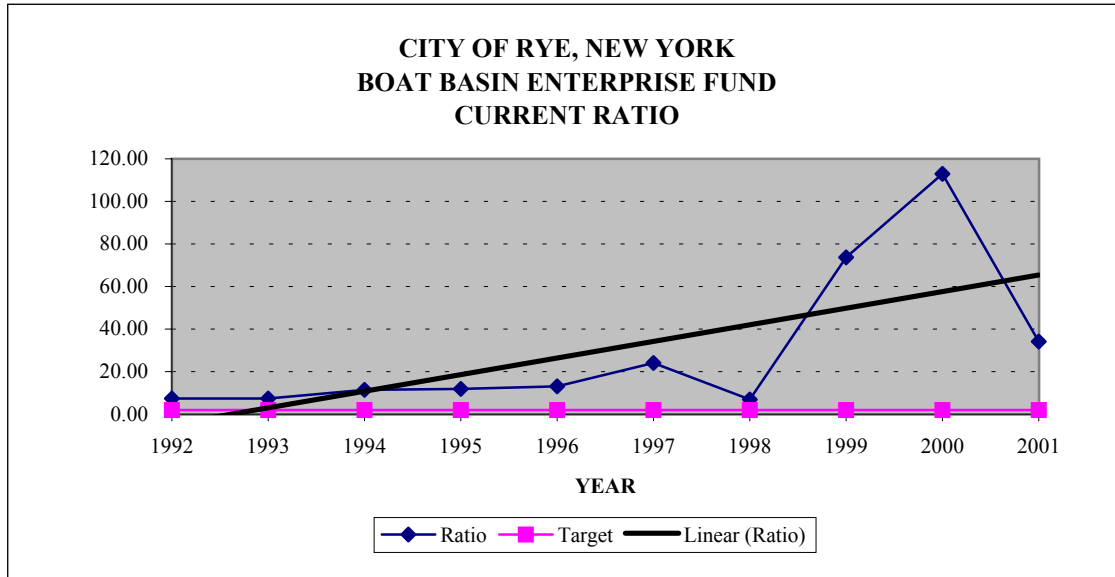
The liquidity ratio of the Boat Basin Fund remains very strong. The dramatic increase in this indicator in 1999 and 2000 is the result of substantial cash and short-term investments and minimal current liabilities at the December 31 balance sheet date.

**City of Rye, New York  
2001 Financial Trends Report**

**Boat Basin Enterprise Fund  
Current Ratio**

**Formula:** Current Assets/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Current Assets	Current Liabilities	Current Ratio	Target
1992	\$466,974	\$63,668	7.33	2.00
1993	\$533,821	\$72,965	7.32	2.00
1994	\$260,820	\$22,789	11.44	2.00
1995	\$388,814	\$32,855	11.83	2.00
1996	\$418,920	\$32,135	13.04	2.00
1997	\$484,996	\$20,111	24.12	2.00
1998	\$612,875	\$88,025	6.96	2.00
1999	\$479,762	\$6,511	73.68	2.00
2000	\$660,790	\$5,850	112.96	2.00
2001	\$839,922	\$24,658	34.06	2.00

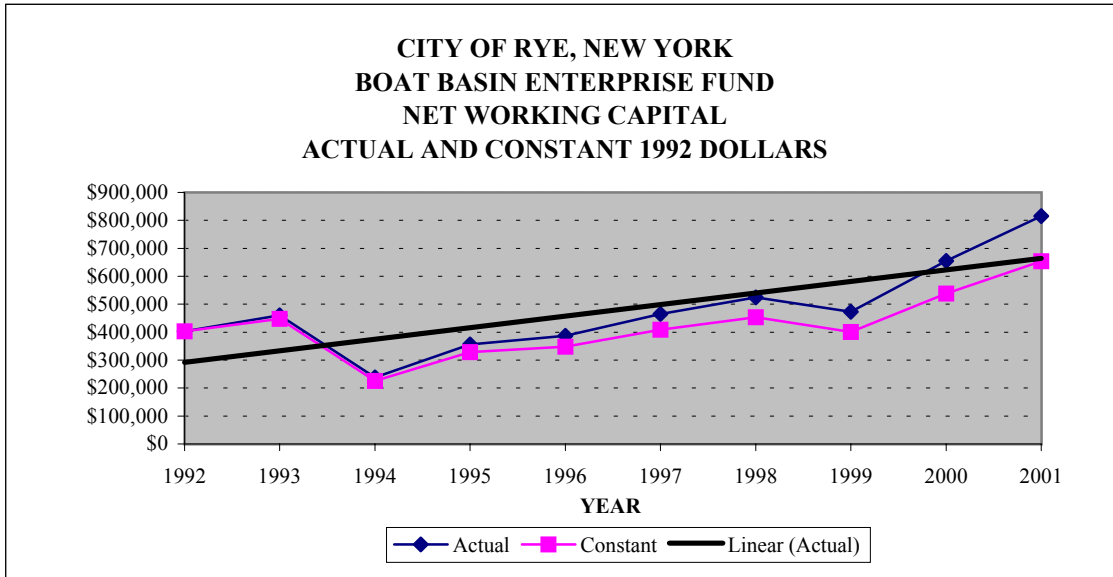
As with the liquidity ratio, the current ratio of the Boat Basin Fund is also very strong, having a positive ratio far beyond normal expectations. Like the liquidity ratio, the dramatic rise in this ratio in 1999 and 2000 is the result of substantial current assets against minimal current liabilities at year end.

**City of Rye, New York  
2001 Financial Trends Report**

**Boat Basin Enterprise Fund  
Net Working Capital**

**Formula:** Current Assets - Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Current Assets	Current Liabilities	Net Working Capital		Net Working Capital Constant
			Actual	CPI-U	
1992	\$466,974	\$63,668	\$403,306	150.0	\$403,306
1993	\$533,821	\$72,965	\$460,856	154.5	\$447,433
1994	\$260,820	\$22,789	\$238,031	158.2	\$225,693
1995	\$388,814	\$32,855	\$355,959	162.2	\$329,185
1996	\$418,920	\$32,135	\$386,785	166.9	\$347,620
1997	\$484,996	\$20,111	\$464,885	170.8	\$408,271
1998	\$612,875	\$88,025	\$524,850	173.6	\$453,499
1999	\$479,762	\$6,511	\$473,251	177.0	\$401,060
2000	\$660,790	\$5,850	\$654,940	182.5	\$538,307
2001	\$839,922	\$24,658	\$815,264	187.1	\$653,606

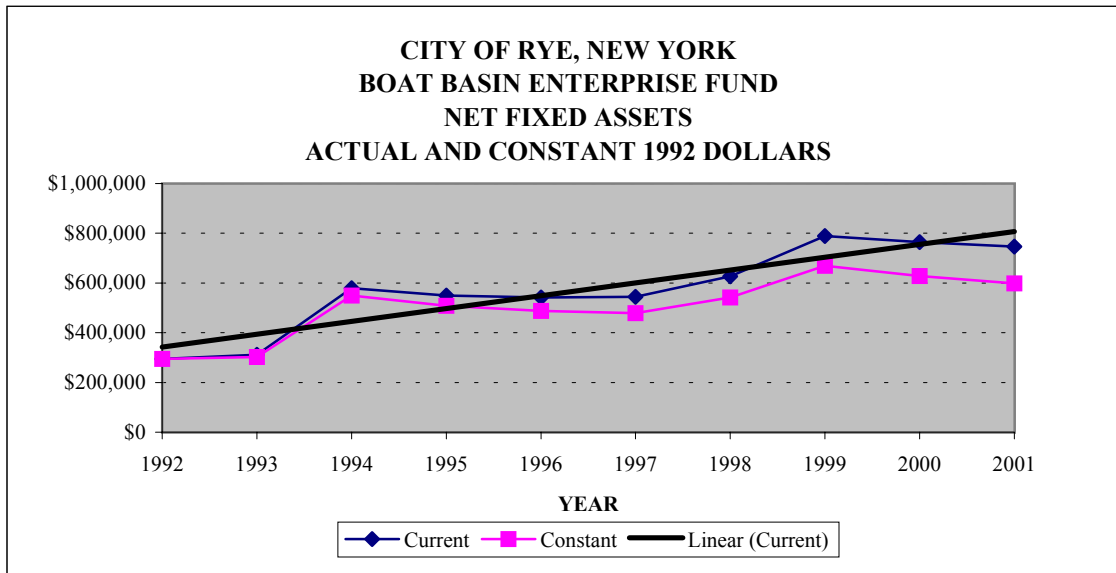
Net working capital is defined as current assets less current liabilities, and is another measure of our ability to pay off current amounts due with currently available funds and liquid assets. The 2001 actual dollar net working capital amount of \$815,264 exceeds any of the previous nine years, and the trend is a positive one.

**City of Rye, New York  
2001 Financial Trends Report**

**Boat Basin Enterprise Fund  
Net Fixed Assets**

**Formula:** Fixed Assets - Accumulated Depreciation

**Warning Trend:** Decreasing trend line



Year	Fixed Assets	Accumulated Depreciation	Net Fixed Assets		Net Fixed Assets Constant
			Current	CPI-U	
1992	\$397,020	\$102,559	\$294,461	150.0	\$294,461
1993	\$460,335	\$149,203	\$311,132	154.5	\$302,070
1994	\$777,847	\$198,838	\$579,009	158.2	\$548,997
1995	\$804,615	\$255,103	\$549,512	162.2	\$508,180
1996	\$854,243	\$312,015	\$542,228	166.9	\$487,323
1997	\$916,539	\$372,090	\$544,449	170.8	\$478,146
1998	\$1,030,059	\$402,795	\$627,264	173.6	\$541,991
1999	\$1,232,489	\$443,037	\$789,452	177.0	\$669,027
2000	\$1,243,791	\$479,773	\$764,018	182.5	\$627,960
2001	\$1,256,891	\$510,234	\$746,657	187.1	\$598,603

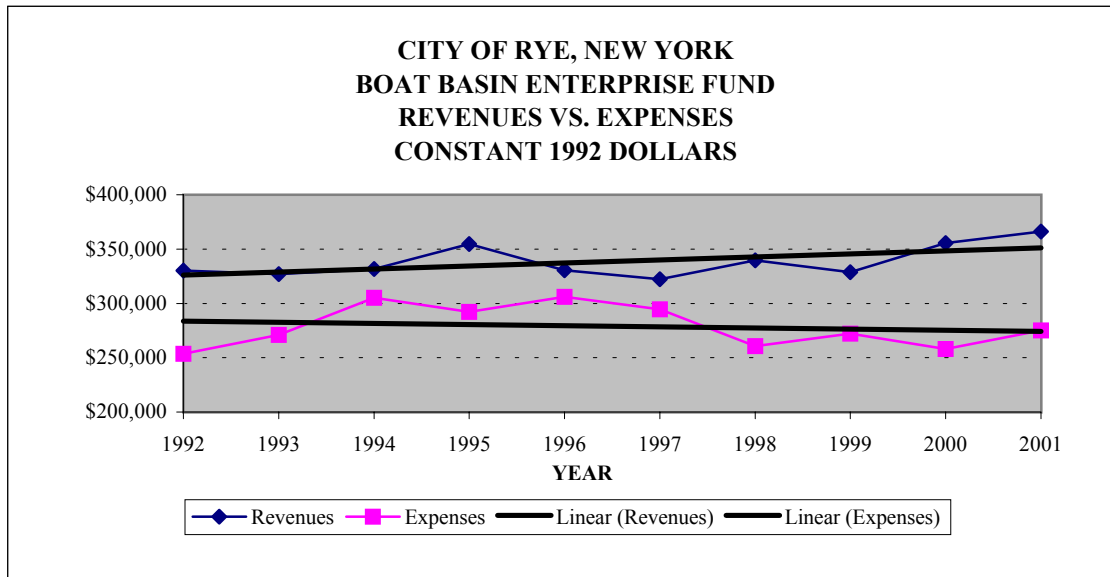
Net fixed assets are defined as fixed assets (land, buildings, improvements, and equipment) less accumulated depreciation. This indicator measures our commitment to replacing such assets when they are no longer cost-effective to operate and maintain, or are obsolete. The trend line indicates a substantial increase over the past ten years, representing a positive trend.

**City of Rye, New York  
2001 Financial Trends Report**

**Boat Basin Enterprise Fund  
Net Operating Revenues vs. Net Operating Expenses**

**Formula:** Net Operating Revenues; Net Operating Expenses

**Warning Trend:** Decreasing distance between trend lines



Year	Actual Revenues	Actual Expenses	CPI-U	Constant Revenues	Constant Expenses
1992	\$330,049	\$253,709	150.0	\$330,049	\$253,709
1993	\$336,693	\$279,122	154.5	\$326,886	\$270,992
1994	\$349,881	\$321,974	158.2	\$331,746	\$305,285
1995	\$383,401	\$316,001	162.2	\$354,563	\$292,233
1996	\$367,803	\$340,486	166.9	\$330,560	\$306,009
1997	\$367,013	\$335,471	170.8	\$322,318	\$294,617
1998	\$392,956	\$301,545	173.6	\$339,536	\$260,552
1999	\$387,843	\$321,000	177.0	\$328,681	\$272,034
2000	\$432,455	\$314,011	182.5	\$355,442	\$258,091
2001	\$456,686	\$343,146	187.1	\$366,130	\$275,104

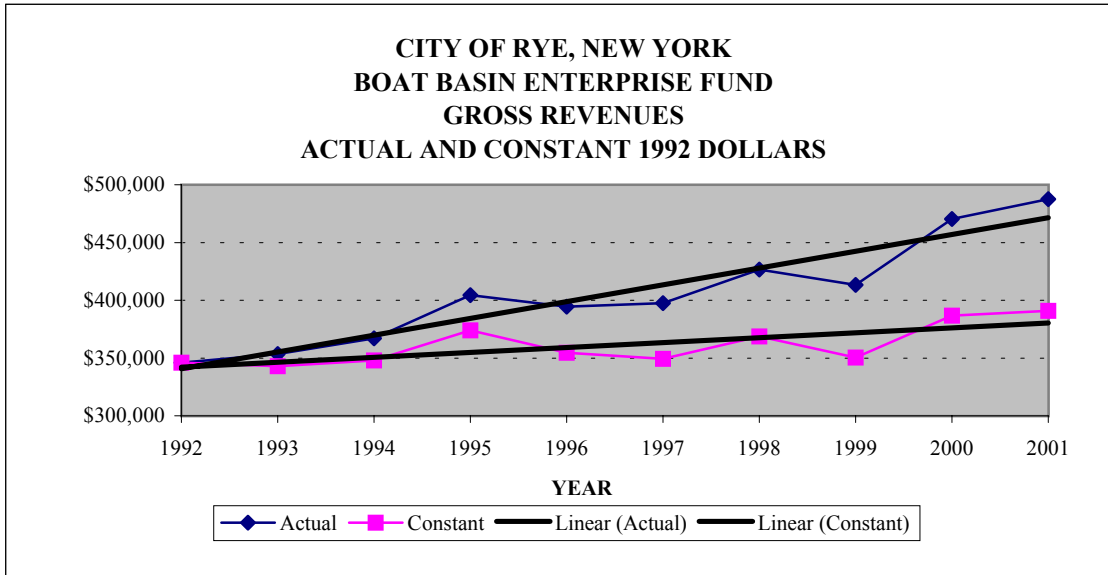
Within the trend timeline, revenues of the Boat Basin have always been above expenses. In some years the difference between them was greater than in other years. The variability of weather conditions can have a dramatic effect on Boat Basin operations. Good weather can bring higher revenues and lower expenses, while inclement weather can result in lower revenues and higher expenses. The linear trend lines for revenues and expenditures clearly shows that despite interperiod variances, there is a slightly increasing positive spread.

**City of Rye, New York  
2001 Financial Trends Report**

**Boat Basin Enterprise Fund  
Gross Revenues**

**Formula:** Operating Revenues + Non-Operating Revenues

**Warning Trend:** Decreasing trend line



Year	Gross Revenues		Gross Revenues
	Actual	CPI-U	Constant
1992	\$346,068	150.0	\$346,068
1993	\$353,343	154.5	\$343,051
1994	\$367,026	158.2	\$348,002
1995	\$404,432	162.2	\$374,012
1996	\$394,521	166.9	\$354,572
1997	\$397,609	170.8	\$349,188
1998	\$426,724	173.6	\$368,713
1999	\$413,421	177.0	\$350,357
2000	\$470,494	182.5	\$386,707
2001	\$487,541	187.1	\$390,867

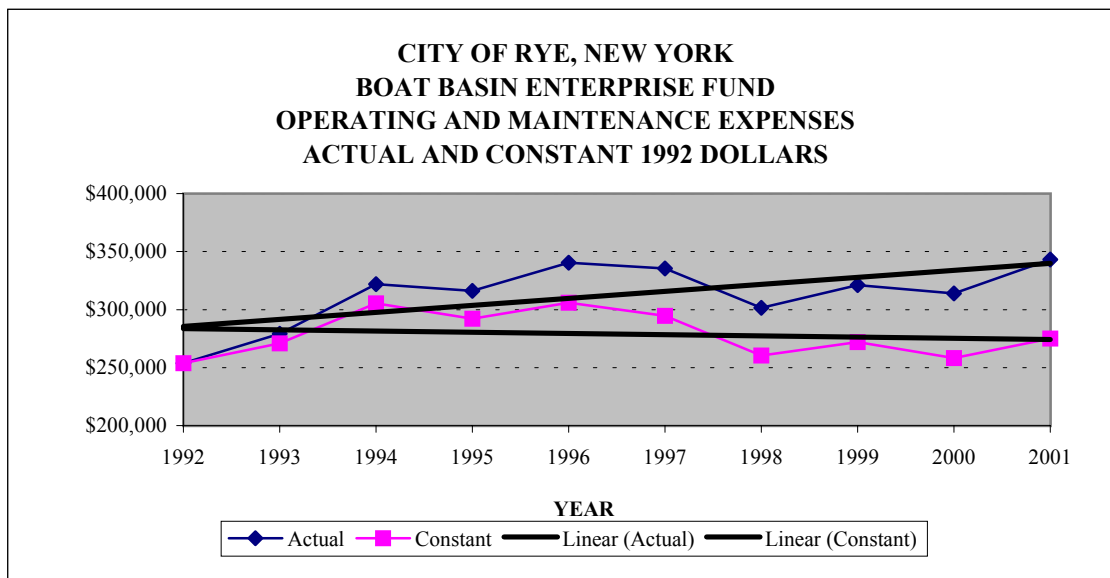
Gross revenues are defined as all revenues, including charges for services, miscellaneous items, and interest income. Gross revenues are shown in actual and inflation-adjusted dollars. While the trend lines for both actual and constant dollars are positive, the upward trend line in constant dollars is far less dramatic than the one in actual dollars. This indicates that we must consider the impact of inflation when establishing fees and charges.

**City of Rye, New York  
2001 Financial Trends Report**

**Boat Basin Enterprise Fund  
Operating and Maintenance Expenses**

***Formula:*** Operating and Maintenance Expenses

***Warning Trend:*** Increasing trend line



Year	Operating Expenses	CPI-U	Operating Expenses
	Actual		Constant
1992	\$253,709	150.0	\$253,709
1993	\$279,122	154.5	\$270,992
1994	\$321,974	158.2	\$305,285
1995	\$316,001	162.2	\$292,233
1996	\$340,486	166.9	\$306,009
1997	\$335,471	170.8	\$294,617
1998	\$301,545	173.6	\$260,552
1999	\$321,000	177.0	\$272,034
2000	\$314,011	182.5	\$258,091
2001	\$343,146	187.1	\$275,104

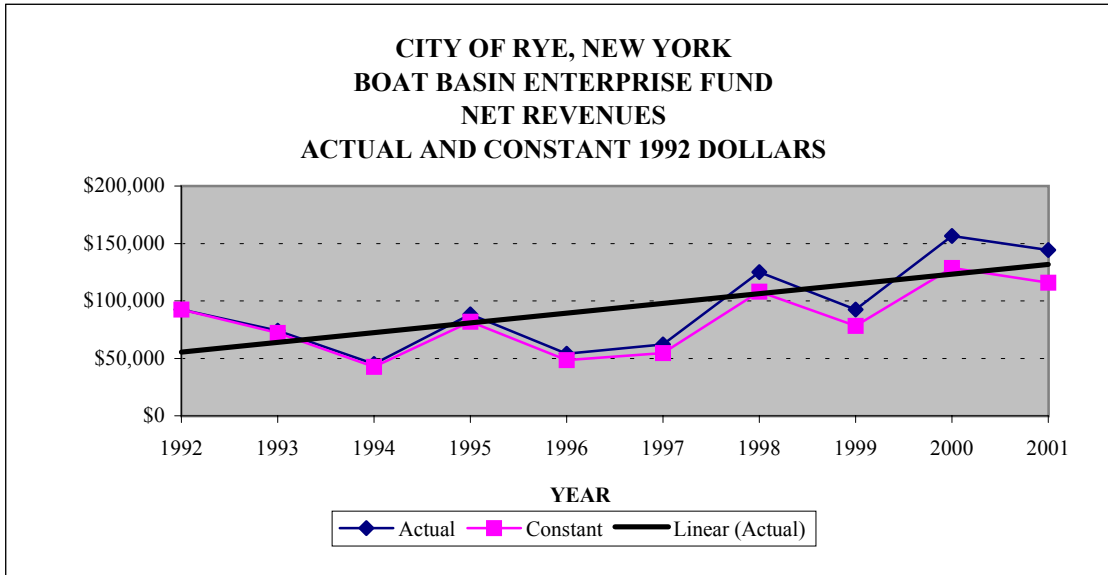
Operating and maintenance expenses are defined as all expenses related to the operation and maintenance of an enterprise, including salaries and wages, employee benefits, materials and supplies, contractual costs, interest expense and depreciation. Operating and maintenance expenses are shown both in actual and constant 1992 dollars. Our actual trend shows a slight increase over the past ten years, and when accounted for in inflation-adjusted dollars, shows a decline. This is a positive trend, as it indicates a good control over expenses.

**City of Rye, New York  
2001 Financial Trends Report**

**Boat Basin Enterprise Fund  
Net Revenues**

**Formula:** Gross Revenues - Operating and Maintenance Expenses

**Warning Trend:** Decreasing trend line



Year	Net Revenues	CPI-U	Net Revenues
	Actual		Constant
1992	\$92,359	150.0	\$92,359
1993	\$74,221	154.5	\$72,059
1994	\$45,052	158.2	\$42,717
1995	\$88,431	162.2	\$81,780
1996	\$54,035	166.9	\$48,564
1997	\$62,138	170.8	\$54,571
1998	\$125,179	173.6	\$108,162
1999	\$92,421	177.0	\$78,323
2000	\$156,483	182.5	\$128,616
2001	\$144,395	187.1	\$115,763

Net revenues are defined as all revenues less operating and maintenance expenses, and is also known as net income. This indicator measures our efficiency at covering expenses with revenue, and an upward trend is a positive one. Our overall trend at the Boat Basin is a positive one, even though there is some inter-period fluctuation. Net revenues can be affected dramatically by seasonal weather conditions.

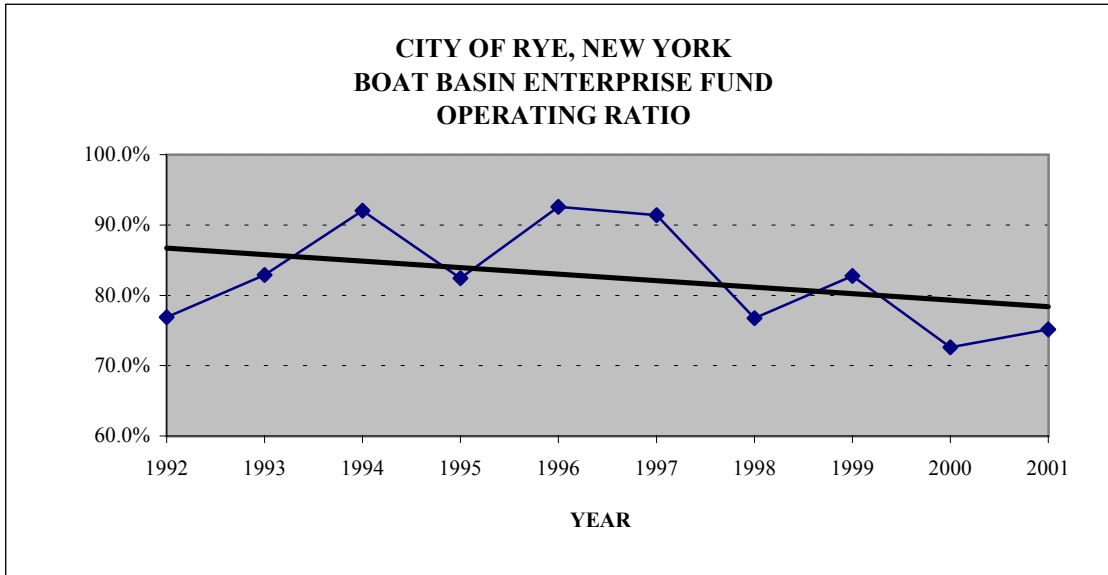


**City of Rye, New York  
2001 Financial Trends Report**

**Boat Basin Enterprise Fund  
Operating Ratio**

**Formula:** Operating and Maintenance Expenses/Operating Revenues

**Warning Trend:** Increasing trend line



Year	Operating Expenses	Operating Revenues	Net Operating Ratio
1992	\$253,709	\$330,049	76.9%
1993	\$279,122	\$336,693	82.9%
1994	\$321,974	\$349,881	92.0%
1995	\$316,001	\$383,401	82.4%
1996	\$340,486	\$367,803	92.6%
1997	\$335,471	\$367,013	91.4%
1998	\$301,545	\$392,956	76.7%
1999	\$321,000	\$387,843	82.8%
2000	\$314,011	\$432,455	72.6%
2001	\$343,146	\$456,686	75.1%

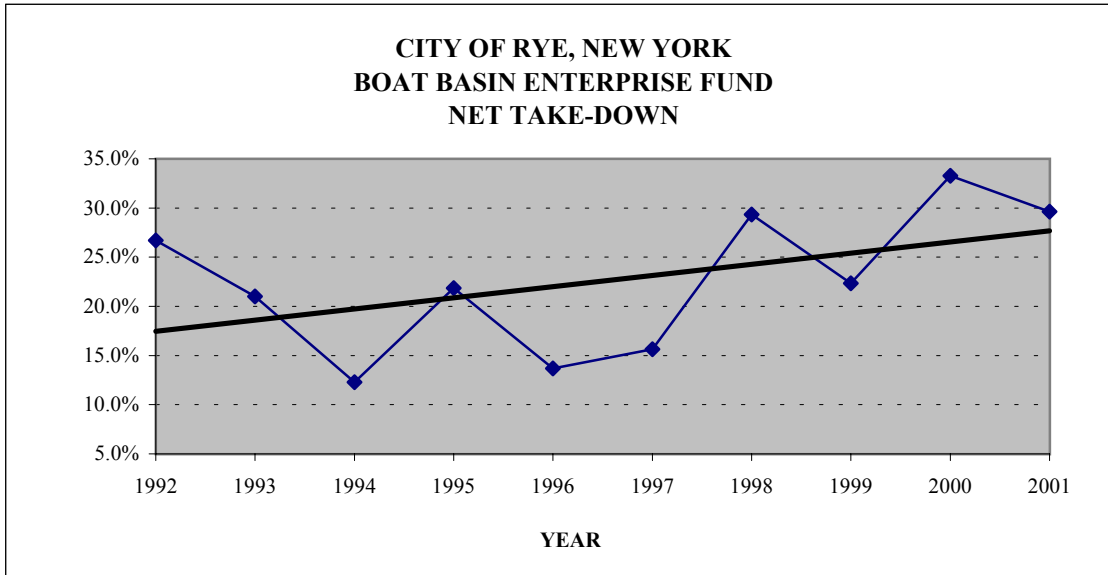
Operating ratio is defined as the operating and maintenance expenses divided by operating revenues, and is another way of measuring operating results. A decreasing trend is a positive trend, and this indicator for our Boat Basin shows that our trend is positive.

**City of Rye, New York  
2001 Financial Trends Report**

**Boat Basin Enterprise Fund  
Net Take-Down**

**Formula:** Net Revenues/Gross Revenues

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Gross Revenues	Net Take-down Ratio
1992	\$92,359	\$346,068	26.7%
1993	\$74,221	\$353,343	21.0%
1994	\$45,052	\$367,026	12.3%
1995	\$88,431	\$404,432	21.9%
1996	\$54,035	\$394,521	13.7%
1997	\$62,138	\$397,609	15.6%
1998	\$125,179	\$426,724	29.3%
1999	\$92,421	\$413,421	22.4%
2000	\$156,483	\$470,494	33.3%
2001	\$144,395	\$487,541	29.6%

Net take-down is defined as net revenues to gross revenues. Increasing net take-down is a positive trend. The overall trend of our Boat Basin has been an increasing one (positive) despite some interperiod fluctuations.

***Golf Club Enterprise Fund***

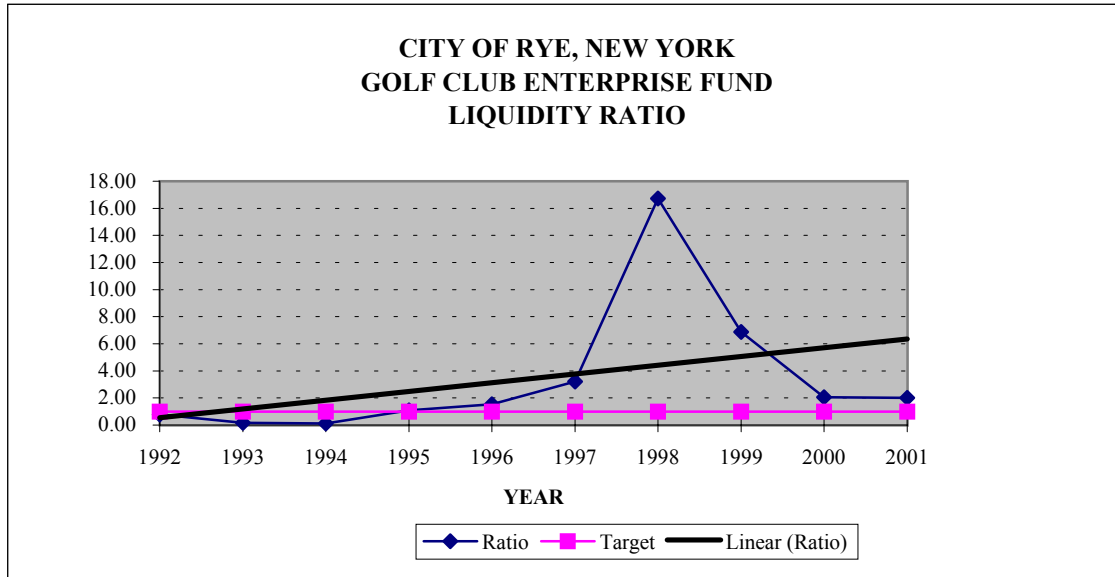
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**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Liquidity Ratio**

**Formula:** Cash and Short-Term Investments/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Cash and Short-Term Investments	Current Liabilities	Liquidity Ratio	Target
1992	\$432,180	\$548,836	0.79	1.00
1993	\$76,162	\$462,102	0.16	1.00
1994	\$44,957	\$362,570	0.12	1.00
1995	\$194,789	\$179,810	1.08	1.00
1996	\$315,074	\$205,597	1.53	1.00
1997	\$574,617	\$179,118	3.21	1.00
1998	\$6,118,653	\$366,062	16.71	1.00
1999	\$5,666,428	\$823,439	6.88	1.00
2000	\$2,003,693	\$980,331	2.04	1.00
2001	\$1,062,265	\$528,821	2.01	1.00

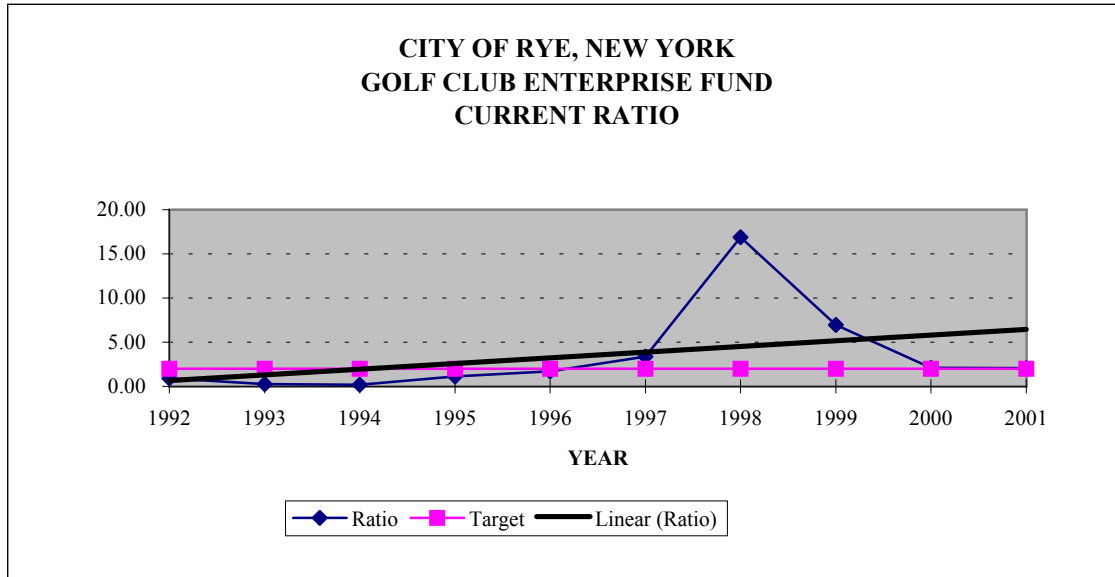
Liquidity for the Golf Club met target in 1995 (prior to which it was below target), and has remained above target since that time. The dramatic jump in 1998 reflects the receipt of cash related to our 1998 Series A and B bond proceeds. Excluding the bond proceeds from the calculation would still have resulted in a positive ratio of almost 2:1. As seen in the chart, the ratio continues in its upward trend, ending the year 2001 at a level of 2:1.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Current Ratio**

**Formula:** Current Assets/Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Current Assets	Current Liabilities	Current Ratio	Target
1992	\$501,308	\$548,836	0.91	2.00
1993	\$115,586	\$462,102	0.25	2.00
1994	\$70,837	\$362,570	0.20	2.00
1995	\$200,519	\$179,810	1.12	2.00
1996	\$347,082	\$205,597	1.69	2.00
1997	\$600,573	\$179,118	3.35	2.00
1998	\$6,185,103	\$366,062	16.90	2.00
1999	\$5,723,764	\$823,439	6.95	2.00
2000	\$2,074,976	\$980,331	2.12	2.00
2001	\$1,097,533	\$528,821	2.08	2.00

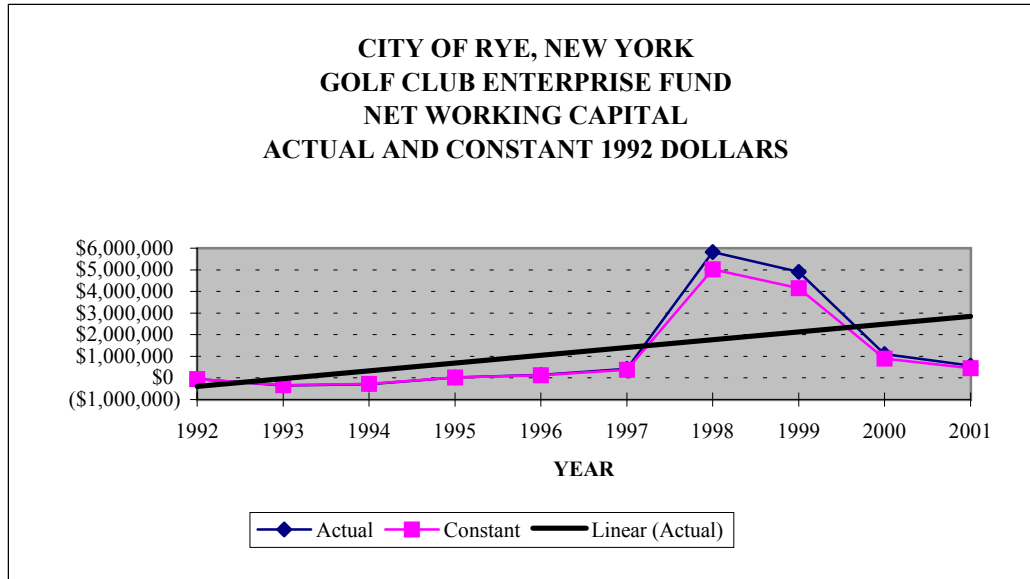
The current ratio for the Golf Club met target in 1997. As with the liquidity ratio, the dramatic jump in 1998 is attributed to the 1998 Series A and B bond proceeds, and exclusive of the bond proceeds the ratio would still have remained a positive 2.14:1. While the trend is positive, recent fiscal years ended just above the target of 2:1. This should be watched closely to ensure that the level remains above target.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Net Working Capital**

**Formula:** Current Assets - Current Liabilities

**Warning Trend:** Decreasing trend line



Year	Current Assets	Current Liabilities	Net Working Capital Actual	CPI-U	Net Working Capital Constant
1992	\$501,308	\$548,836	(\$47,528)	150.0	(\$47,528)
1993	\$115,586	\$462,102	(\$346,516)	154.5	(\$336,423)
1994	\$70,837	\$362,570	(\$291,733)	158.2	(\$276,612)
1995	\$200,519	\$179,810	\$20,709	162.2	\$19,151
1996	\$347,082	\$205,597	\$141,485	166.9	\$127,158
1997	\$600,573	\$179,118	\$421,455	170.8	\$370,130
1998	\$6,185,103	\$366,062	\$5,819,041	173.6	\$5,027,973
1999	\$5,723,764	\$823,439	\$4,900,325	177.0	\$4,152,818
2000	\$2,074,976	\$980,331	\$1,094,645	182.5	\$899,708
2001	\$1,097,533	\$528,821	\$568,712	187.1	\$455,942

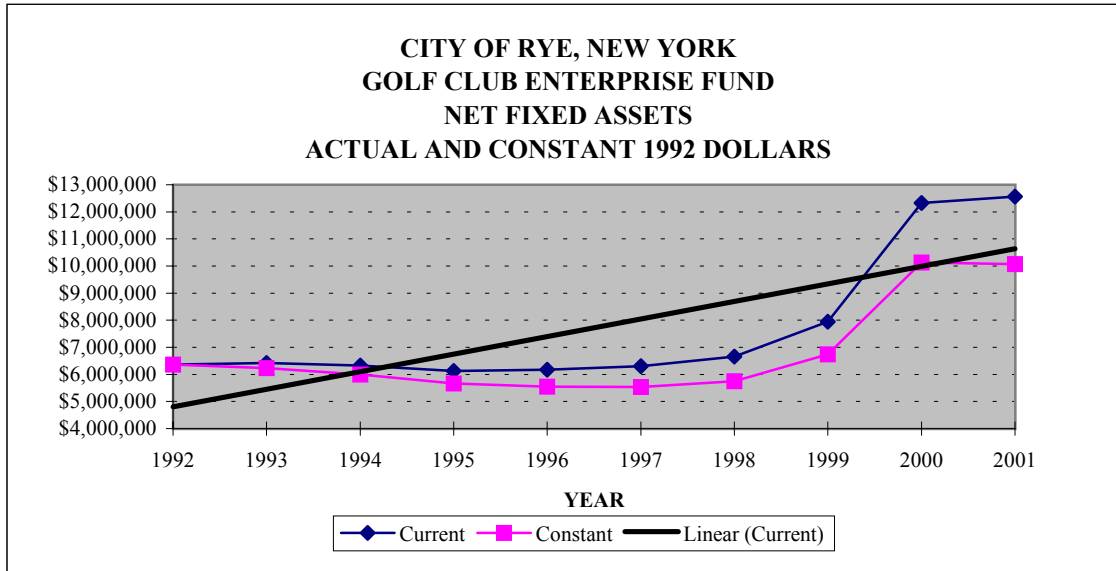
Net working capital is defined as current assets less current liabilities, and is another measure of our ability to pay off current amounts due with currently available funds and liquid assets. In the first three years of its existence as an enterprise fund, the Golf Club struggled to reach a positive net working capital position. Since that time the net working capital has steadily increased. The dramatic increase from 1998 through 2000 is due to the receipt of the 1998 serial bond proceeds.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Net Fixed Assets**

**Formula:** Fixed Assets - Accumulated Depreciation

**Warning Trend:** Decreasing trend line



Year	Fixed Assets	Accumulated Depreciation	Net Fixed Assets Current	CPI-U	Net Fixed Assets Constant
1992	\$7,263,980	\$903,037	\$6,360,943	150.0	\$6,360,943
1993	\$7,581,792	\$1,160,992	\$6,420,800	154.5	\$6,233,786
1994	\$7,755,446	\$1,428,037	\$6,327,409	158.2	\$5,999,440
1995	\$7,818,468	\$1,693,451	\$6,125,017	162.2	\$5,664,319
1996	\$8,131,160	\$1,958,203	\$6,172,957	166.9	\$5,547,894
1997	\$8,526,479	\$2,228,236	\$6,298,243	170.8	\$5,531,244
1998	\$9,190,108	\$2,537,012	\$6,653,096	173.6	\$5,748,643
1999	\$10,819,235	\$2,871,717	\$7,947,518	177.0	\$6,735,185
2000	\$15,539,026	\$3,212,841	\$12,326,185	182.5	\$10,131,111
2001	\$15,746,414	\$3,181,727	\$12,564,687	187.1	\$10,073,239

Net fixed assets are defined as fixed assets (land, buildings, and equipment) less accumulated depreciation. This indicator measures our commitment to replacing such assets when they are no longer cost-effective to operate and maintain or are obsolete. The trend line indicates a major positive trend upwards, representing a number of capital improvements to the golf course and facilities that came into service during the trend period.

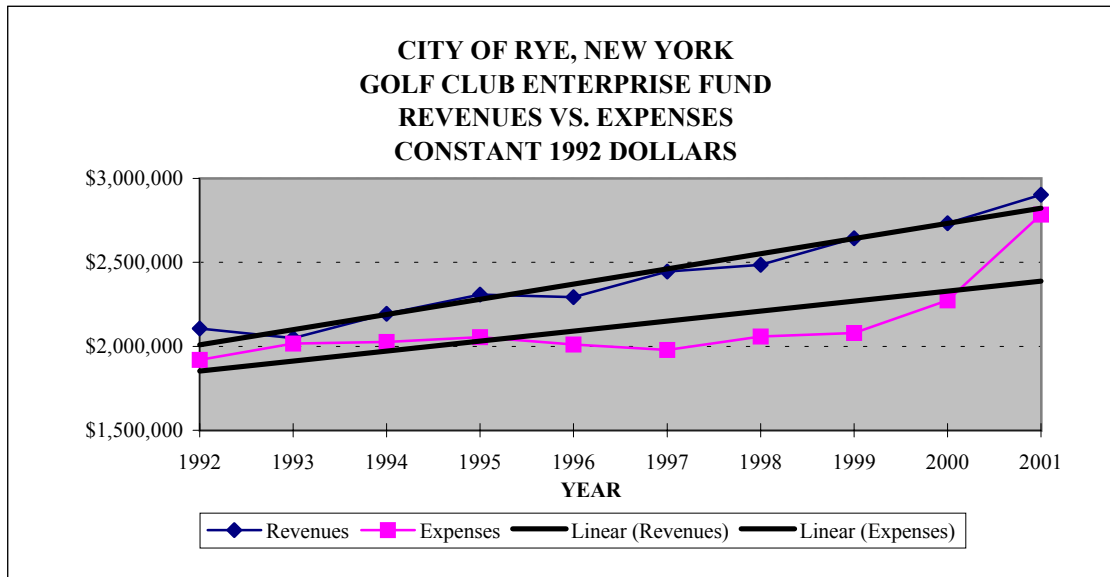


**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Net Operating Revenues vs. Net Operating Expenses**

**Formula:** Net Operating Revenues; Net Operating Expenses

**Warning Trend:** Decreasing distance between trend lines



Year	Actual Revenues	Actual Expenses	CPI-U	Constant Revenues	Constant Expenses
1992	\$2,105,422	\$1,918,505	150.0	\$2,105,422	\$1,918,505
1993	\$2,110,592	\$2,077,199	154.5	\$2,049,118	\$2,016,698
1994	\$2,313,204	\$2,137,764	158.2	\$2,193,303	\$2,026,957
1995	\$2,496,422	\$2,221,339	162.2	\$2,308,652	\$2,054,259
1996	\$2,552,223	\$2,238,339	166.9	\$2,293,789	\$2,011,689
1997	\$2,785,165	\$2,251,765	170.8	\$2,445,988	\$1,977,545
1998	\$2,876,329	\$2,382,686	173.6	\$2,485,307	\$2,058,772
1999	\$3,118,902	\$2,452,587	177.0	\$2,643,137	\$2,078,464
2000	\$3,324,320	\$2,766,308	182.5	\$2,732,318	\$2,273,678
2001	\$3,621,291	\$3,473,176	187.1	\$2,903,226	\$2,784,481

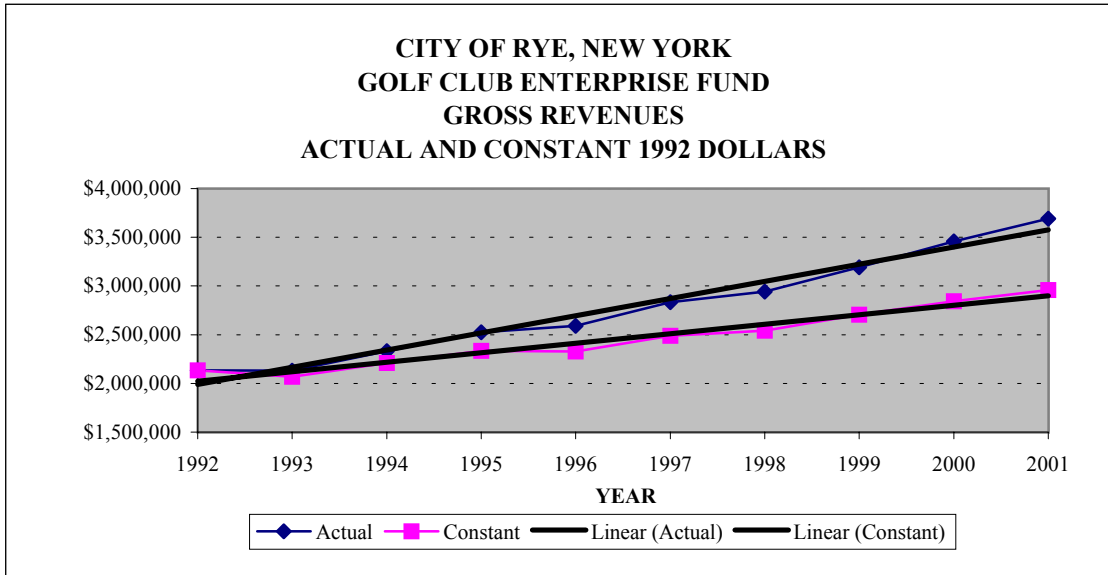
Net operating revenues compared to net operating expenses of the Golf Club have been on an increasingly positive trend. Since 1993, in inflation adjusted dollars, the gap between the two lines has widened continuously, indicating that our revenues are growing faster than our expenses. This reflects sound operational and financial management of the Golf Club. The very narrow gap in fiscal 2001 requires us to act in developing future budgets to ensure that the positive trend continues.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Gross Revenues**

***Formula:*** Operating Revenues + Non-Operating Revenues

***Warning Trend:*** Decreasing trend line



Year	Gross Revenues		Gross Revenues
	Actual	CPI-U	Constant
1992	\$2,134,720	150.0	\$2,134,720
1993	\$2,131,462	154.5	\$2,069,381
1994	\$2,330,119	158.2	\$2,209,342
1995	\$2,524,560	162.2	\$2,334,673
1996	\$2,589,189	166.9	\$2,327,012
1997	\$2,833,582	170.8	\$2,488,509
1998	\$2,941,891	173.6	\$2,541,957
1999	\$3,191,484	177.0	\$2,704,647
2000	\$3,459,579	182.5	\$2,843,490
2001	\$3,691,753	187.1	\$2,959,716

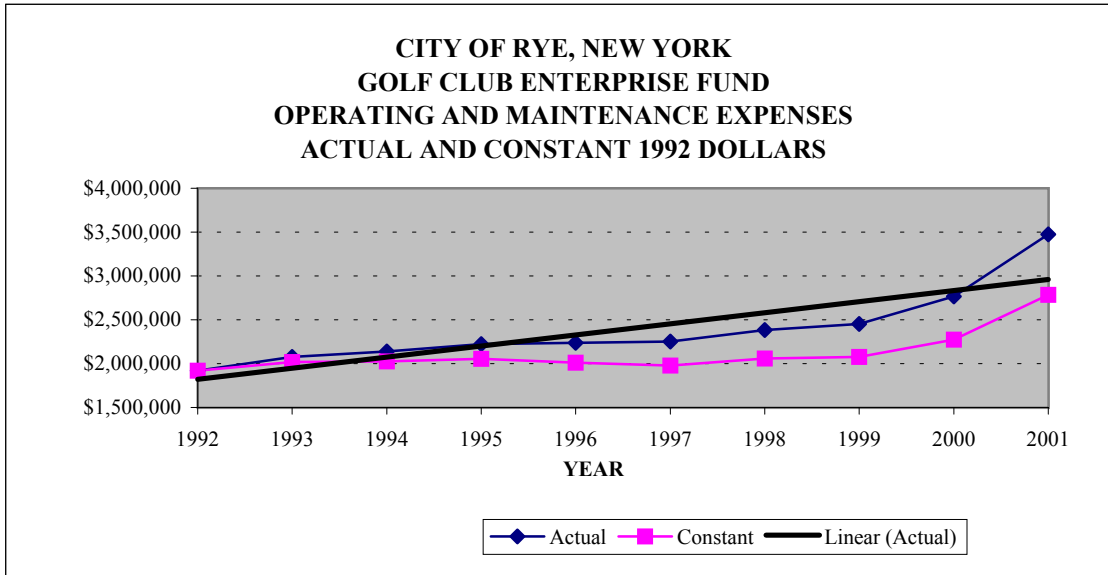
Gross revenues are defined as all revenues, including charges for services, miscellaneous items, and interest income. Gross revenues are shown in actual and inflation-adjusted dollars. Gross revenues have been on a steady increase at the Golf Club both in terms of actual and constant 1992 dollars. This indicates a very positive revenue stream reflecting a fee structure that has been designed to adjust for inflation.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Operating and Maintenance Expenses**

**Formula:** Operating and Maintenance Expenses

**Warning Trend:** Increasing trend line



Year	Operating Expenses Actual	CPI-U	Operating Expenses Constant
1992	\$1,918,505	150.0	\$1,918,505
1993	\$2,077,199	154.5	\$2,016,698
1994	\$2,137,764	158.2	\$2,026,957
1995	\$2,221,339	162.2	\$2,054,259
1996	\$2,238,339	166.9	\$2,011,689
1997	\$2,251,765	170.8	\$1,977,545
1998	\$2,382,686	173.6	\$2,058,772
1999	\$2,452,587	177.0	\$2,078,464
2000	\$2,766,308	182.5	\$2,273,678
2001	\$3,473,176	187.1	\$2,784,481

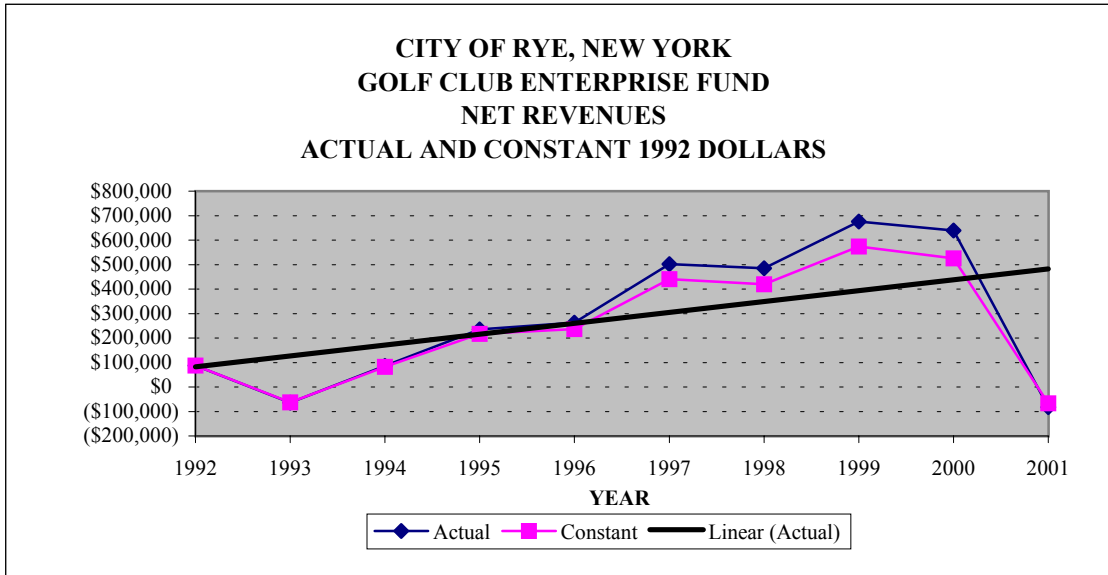
Operating and maintenance expenses are defined as all expenses related to the operation and maintenance of an enterprise, including salaries and wages, employee benefits, materials and supplies, contractual costs, interest expense and depreciation. Golf Club operating and maintenance expenses show a slightly upward trend. However, we should note that the increase from 2000 to 2001 was significantly higher than previous years, and should be monitored to ensure that in the future, revenues meet or exceed the increase in expenses.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Net Revenues**

**Formula:** Gross Revenues - Operating and Maintenance Expenses

**Warning Trend:** Decreasing trend line



Year	Net Revenues	CPI-U	Net Revenues
	Actual		Constant
1992	\$87,159	150.0	\$87,159
1993	(\$64,131)	154.5	(\$62,263)
1994	\$86,392	158.2	\$81,914
1995	\$235,051	162.2	\$217,371
1996	\$262,913	166.9	\$236,291
1997	\$502,254	170.8	\$441,090
1998	\$485,039	173.6	\$419,101
1999	\$676,456	177.0	\$573,268
2000	\$639,205	182.5	\$525,374
2001	(\$82,579)	187.1	(\$66,204)

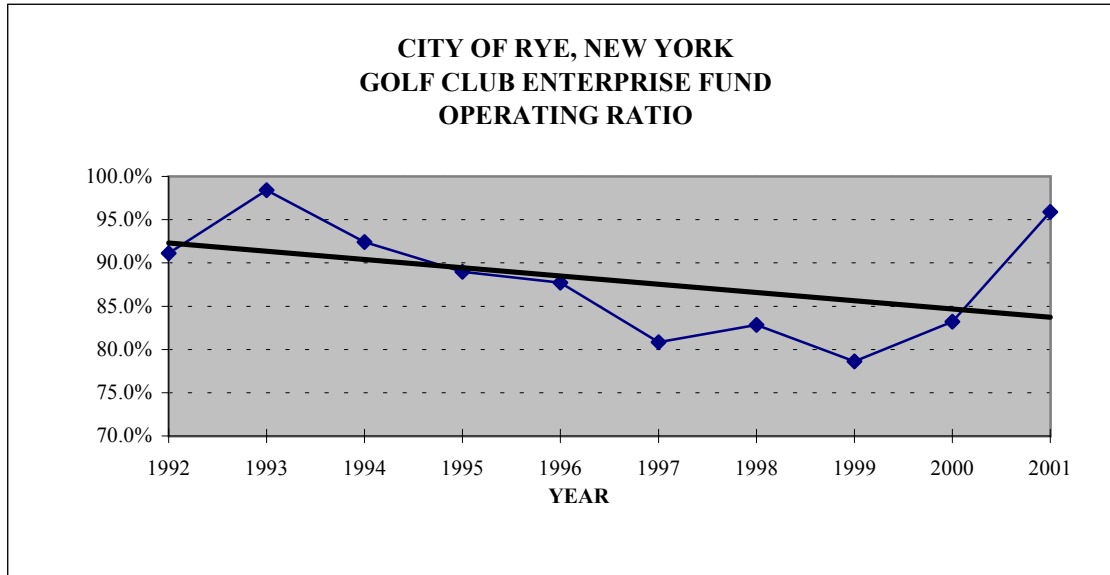
Net revenues, also known as net income, is defined as all revenues less operating and maintenance expenses. This indicator measures our efficiency at covering expenses with revenue, and an upward trend is a positive one. Net revenues of the Golf Club have been in an upward trend. However, care should be taken to ensure that the negative results of fiscal 2001 are not repeated and that future years show positive net income.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Operating Ratio**

***Formula:*** Operating and Maintenance Expenses/Operating Revenues

***Warning Trend:*** Increasing trend line



Year	Operating Expenses	Operating Revenues	Net Operating Ratio
1992	\$1,918,505	\$2,105,422	91.1%
1993	\$2,077,199	\$2,110,592	98.4%
1994	\$2,137,764	\$2,313,204	92.4%
1995	\$2,221,339	\$2,496,422	89.0%
1996	\$2,238,339	\$2,552,223	87.7%
1997	\$2,251,765	\$2,785,165	80.8%
1998	\$2,382,686	\$2,876,329	82.8%
1999	\$2,452,587	\$3,118,902	78.6%
2000	\$2,766,308	\$3,324,320	83.2%
2001	\$3,473,176	\$3,621,291	95.9%

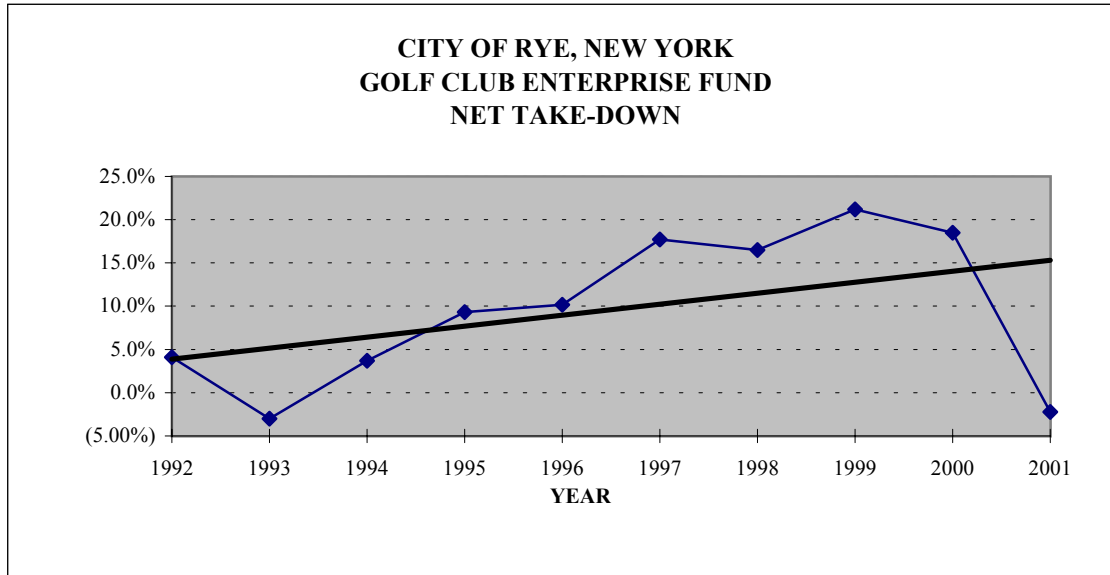
Operating ratio is defined as the operating and maintenance expenses divided by operating revenues, and is another way of measuring operating results. A decreasing trend is a positive trend. The Golf Club's operating ratio has been on an overall positive trend downward. The downward trend indicates that less of our revenue is required to cover our operating and maintenance expenses. However, we also note that the operating ratio has increased since 1999. Future operations should be monitored closely to ensure that the net operating ratio does not exceed 100%.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Net Take-Down**

**Formula:** Net Revenues/Gross Revenues

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Gross Revenues	Net Take-down Ratio
1992	\$87,159	\$2,134,720	4.1%
1993	(\$64,131)	\$2,131,462	(3.01%)
1994	\$86,392	\$2,330,119	3.7%
1995	\$235,051	\$2,524,560	9.3%
1996	\$262,913	\$2,589,189	10.2%
1997	\$502,254	\$2,833,582	17.7%
1998	\$485,039	\$2,941,891	16.5%
1999	\$676,456	\$3,191,484	21.2%
2000	\$639,205	\$3,459,579	18.5%
2001	(\$82,579)	\$3,691,753	(2.24%)

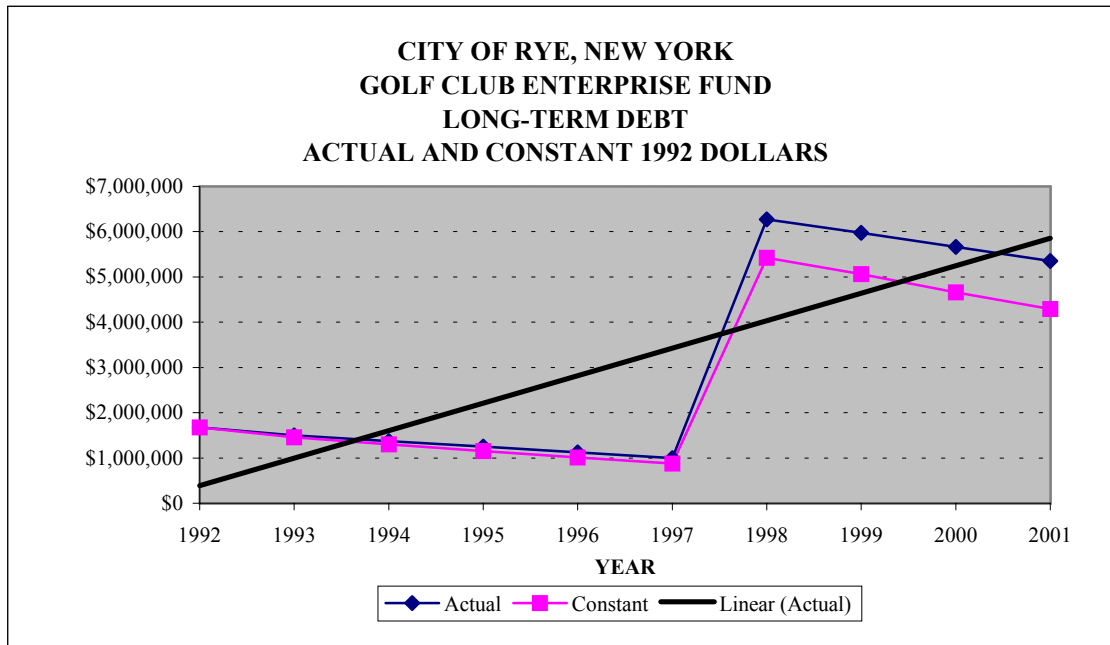
Net take-down is defined as net revenues to gross revenues. Increasing net take-down is a positive trend. Our Golf Club net take-down shows a steady increase. However, fiscal 2001 resulted in a negative net take-down, an indication that action should be taken to increase our profit margin so that the upward trend does not deteriorate.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Long-Term Debt**

**Formula:** Current and Non-Current Long-Term Debt

**Warning Trend:** Increasing trend line



Year	Long-Term Debt		Long-Term Debt
	Actual	CPI-U	Constant
1992	\$1,675,000	150.0	\$1,675,000
1993	\$1,500,000	154.5	\$1,456,311
1994	\$1,375,000	158.2	\$1,303,729
1995	\$1,250,000	162.2	\$1,155,980
1996	\$1,125,000	166.9	\$1,011,084
1997	\$1,000,000	170.8	\$878,220
1998	\$6,275,000	173.6	\$5,421,947
1999	\$5,975,000	177.0	\$5,063,559
2000	\$5,665,000	182.5	\$4,656,164
2001	\$5,350,000	187.1	\$4,289,150

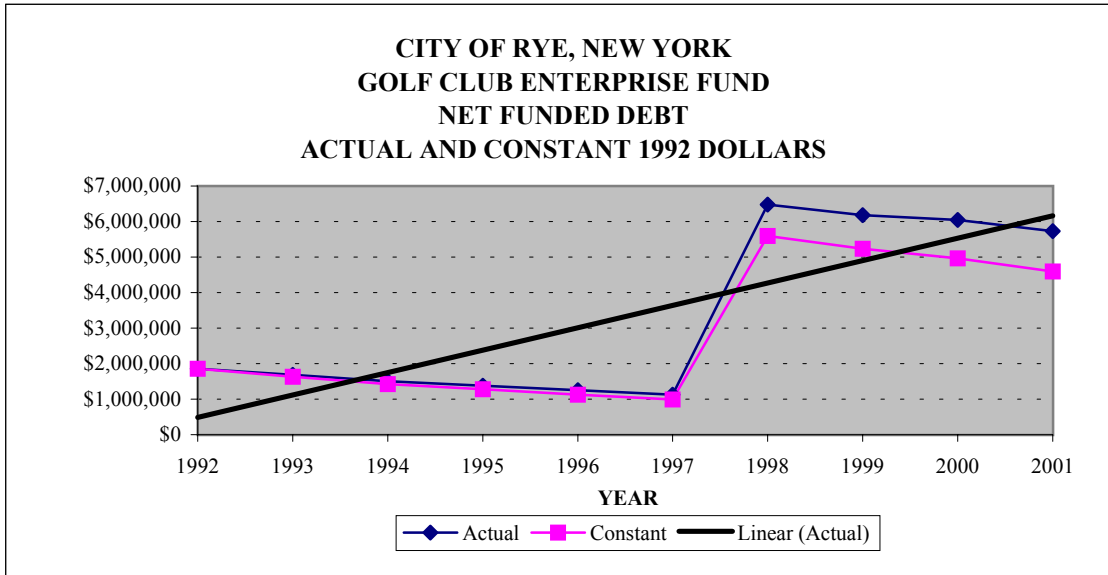
Long-term debt was on the decline at the Golf Club until 1998, when \$5,400,000 was issued in the 1998 Series A and B serial bonds. Since then no new debt has been issued, and long-term debt is once again in a declining (positive) trend.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Net Funded Debt**

***Formula:*** Long-Term Debt + Accrued Interest Payable

***Warning Trend:*** Increasing trend line



Year	Net Funded Debt		Net Funded Debt	
	Actual	CPI-U	Constant	
1992	\$1,856,342	150.0	\$1,856,342	
1993	\$1,680,975	154.5	\$1,632,015	
1994	\$1,504,405	158.2	\$1,426,427	
1995	\$1,379,038	162.2	\$1,275,313	
1996	\$1,253,671	166.9	\$1,126,727	
1997	\$1,128,304	170.8	\$990,899	
1998	\$6,480,022	173.6	\$5,599,097	
1999	\$6,179,650	177.0	\$5,236,992	
2000	\$6,041,831	182.5	\$4,965,888	
2001	\$5,733,847	187.1	\$4,596,884	

Net funded debt is defined as long-term debt plus accrued interest payable, less any amount applicable to such debt in a debt service fund and/or a debt reserve fund. The Golf Club does not have a debt service or debt reserve fund for its outstanding debt, and the net funded debt is higher than long-term debt due to debt interest accrued through December 31 of each year. As with long-term debt, net funded debt was on a decline until we issued the 1998 Series A and B bonds. Since no new debt has been issued since 1998, the trend is once again declining.

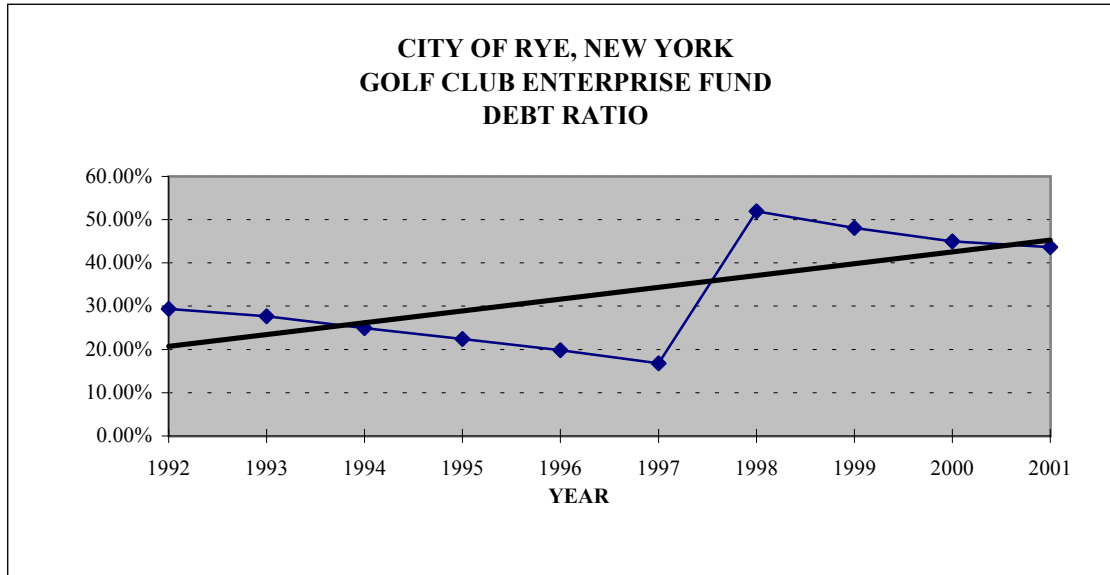


**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Debt Ratio**

**Formula:** Net Funded Debt/Net Fixed Assets + Net Working Capital

**Warning Trend:** Increasing trend line



Year	Net Funded Debt	Net Fixed Assets	Net Working Capital	Debt Ratio
1992	\$1,856,342	\$6,360,943	(\$47,528)	29.40%
1993	\$1,680,975	\$6,420,800	(\$346,516)	27.67%
1994	\$1,504,405	\$6,327,409	(\$291,733)	24.93%
1995	\$1,379,038	\$6,125,017	\$20,709	22.44%
1996	\$1,253,671	\$6,172,957	\$141,485	19.85%
1997	\$1,128,304	\$6,298,243	\$421,455	16.79%
1998	\$6,480,022	\$6,653,096	\$5,819,041	51.96%
1999	\$6,179,650	\$7,947,518	\$4,900,325	48.10%
2000	\$6,041,831	\$12,326,185	\$1,094,645	45.02%
2001	\$5,733,847	\$12,564,687	\$568,712	43.66%

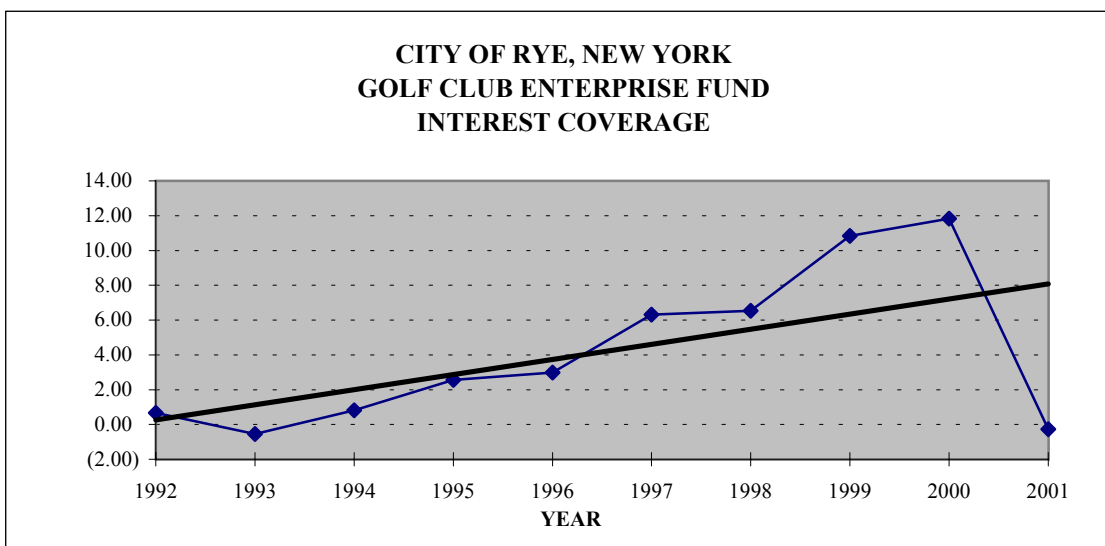
As with our outstanding debt indicators, the debt ratio was on a decline until 1998. With the issuance of the 1998 Series A and B serial bonds, the ratio jumped from 17% to 52%, but has been declining since.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Interest Coverage**

**Formula:** Net Revenues/Debt Interest

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Debt Interest	Interest Coverage
1992	\$87,159	\$129,056	0.68
1993	(\$64,131)	\$118,394	(0.54)
1994	\$86,392	\$105,963	0.82
1995	\$235,051	\$91,895	2.56
1996	\$262,913	\$87,937	2.99
1997	\$502,254	\$79,563	6.31
1998	\$485,039	\$74,166	6.54
1999	\$676,456	\$62,441	10.83
2000	\$639,205	\$54,066	11.82
2001	(\$82,579)	\$301,156	(0.27)

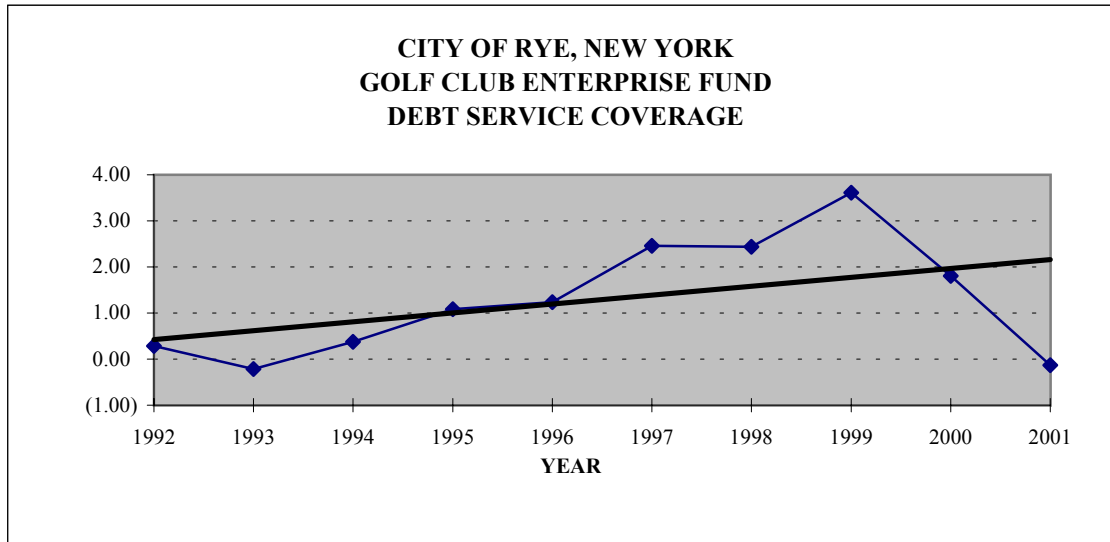
Debt interest coverage for the Golf Club continues to rise on a positive trend. The negative net income of 2001 resulted in a sharp decrease in debt interest coverage for that year. As stated in earlier indicators, it is important to ensure that future results of operations show a positive net income. Assuming no new debt is issued, debt interest coverage would be expected to increase as debt interest costs decrease and net income increases.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Debt Service Coverage**

**Formula:** Net Revenues/Debt Principal + Debt Interest

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Debt Service	Debt Service Coverage
1992	\$87,159	\$304,056	0.29
1993	(\$64,131)	\$293,394	(0.22)
1994	\$86,392	\$230,963	0.37
1995	\$235,051	\$216,895	1.08
1996	\$262,913	\$212,937	1.23
1997	\$502,254	\$204,563	2.46
1998	\$485,039	\$199,166	2.44
1999	\$676,456	\$187,441	3.61
2000	\$639,205	\$354,066	1.81
2001	(\$82,579)	\$611,156	(0.14)

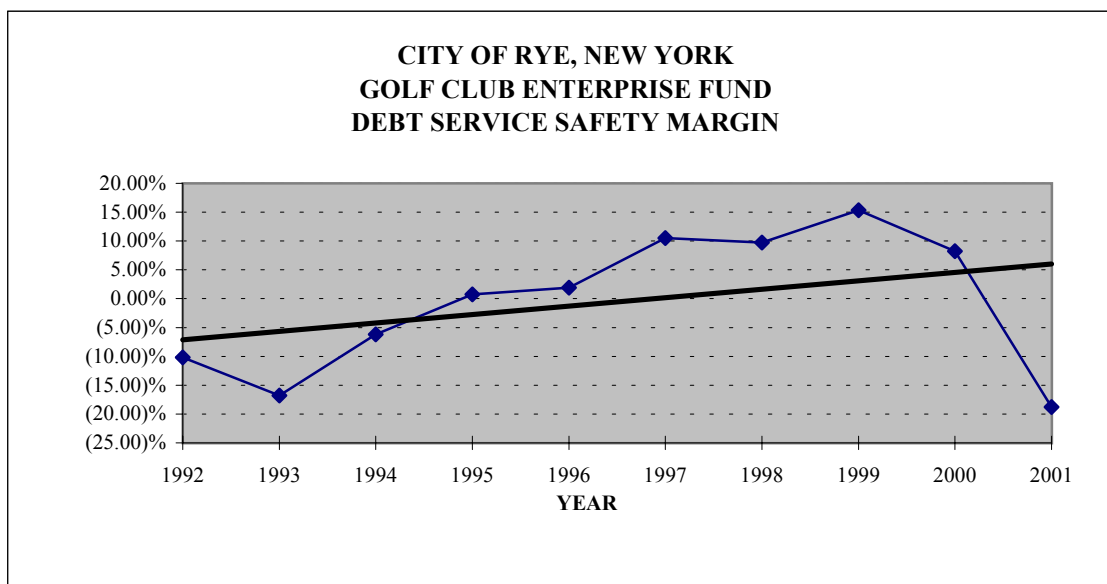
Debt service coverage for the Golf Club shows a slight increase, a positive trend. As in the debt interest coverage indicator, the fiscal 2001 negative operating results contributed to a decline in debt service coverage in that year. It should also be noted that the 1998 bonds were structured on a "level debt service" repayment schedule similar to a home mortgage, where total annual (principal and interest) payments remain the same. It is therefore very important to ensure that our results of operations are positive.

**City of Rye, New York  
2001 Financial Trends Report**

**Golf Club Enterprise Fund  
Debt Service Safety Margin**

**Formula:** Net Revenues - Debt Service Requirements/Gross Revenues + Income

**Warning Trend:** Decreasing trend line



Year	Net Revenues	Debt Service	Gross Revenues	Debt Service Safety Margin
1992	\$87,159	\$304,056	\$2,134,720	(10.16)%
1993	(\$64,131)	\$293,394	\$2,131,462	(16.77)%
1994	\$86,392	\$230,963	\$2,330,119	(6.20)%
1995	\$235,051	\$216,895	\$2,524,560	0.72%
1996	\$262,913	\$212,937	\$2,589,189	1.93%
1997	\$502,254	\$204,563	\$2,833,582	10.51%
1998	\$485,039	\$199,166	\$2,941,891	9.72%
1999	\$676,456	\$187,441	\$3,191,484	15.32%
2000	\$639,205	\$354,066	\$3,459,579	8.24%
2001	(\$82,579)	\$611,156	\$3,691,753	(18.79)%

The debt service safety margin measures the "cushion" we have to cover debt service. It considers our net income, less debt service requirements, and divides this by our total income. An increasing safety margin is a positive trend. Our Golf Club margin has steadily improved, but the same caveats expressed in the analysis of other indicators applies here - we must ensure positive operating results if we wish to preserve our ability to meet our debt service requirements.



